

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name <b>ANTRIM COUNTY</b>	County <b>ANTRIM</b>
Audit Date <b>12/31/04</b>	Opinion Date <b>5/12/05</b>	Date Accountant Report Submitted to State: <b>6/16/05</b>	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

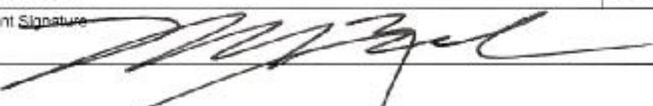
1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations.

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☒ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943 as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1997 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) <b>THOMAS R ZICK CPA, P C</b>			
Street Address <b>P O BOX 149</b>	City <b>LEWISTON</b>	State <b>MI</b>	ZIP <b>49756</b>
Accountant Signature 		Date <b>6/16/05</b>	

**ANTRIM COUNTY  
AUDITED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2004**

# ANTRIM COUNTY TABLE OF CONTENTS

<b>Independent Auditor's Report</b>	1-2
<b>Management's Discussion and Analysis</b>	3-8
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements	
Statement of Net Assets	9
Statement of Activities	10-11
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	12
Reconciliation of Fund Balances on the Balance Sheet of Governmental Funds to the Statement Of Net Assets	13
Statement of Revenues, Expenditures and Changes in Fund Balances	14
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Proprietary Fund Financial Statements	
Statement of Net Assets	16
Statement of Revenues, Expenses and Changes in Net Assets	17
Statement of Cash Flows	18-19
Fiduciary Fund – Statement of Fiduciary Fund Net Assets	20
Notes to Financial Statements	21-41
<b>Required Supplemental Information</b>	
Major Funds – Governmental	
General Fund	
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	42
Schedule of Revenues and Other Sources – By Source - Budget and Actual	43-45
Schedule of Expenditures and Other Uses – By Activity – Budget and Actual	46-48
Revenue Sharing Reserve	
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	49
<b>Other supplemental Information</b>	
Other Non-major Governmental Funds	
Combining Balance Sheet	50-61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	62-73
Other Non-major Proprietary Funds	
Statement of Net Assets	74
Statement of Revenues, Expenses, and Changes in Net Assets	75
Statement of Cash Flows	76-77
<b>Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	78-79
<b>Financial Audit Comments</b>	80-83



**Thomas R. Zick CPA, P.C.**  
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## INDEPENDENT AUDITOR'S REPORT

May 12, 2005

Board of Commissioners  
Antrim County  
Bellaire, Michigan 49615

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Antrim, Michigan as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Antrim, Michigan management. My responsibility is to express opinions on these financial statements based on my audit. I did not audit the financial statements of Meadow Brook Medical Care Facility, which represent 15.34 percent, 16.96 percent, and 31.38 percent, respectively of the assets, net assets, and revenues of Antrim County. Those financial statements were audited by other auditors whose report thereon has been furnished to me, and my opinion, insofar as it relates to the amounts included for Meadow Brook Medical Care Facility, is based on the report of the other auditors.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit and the report of other auditors provide a reasonable basis for our opinions.

In my opinion, based on my audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Antrim, Michigan, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information as identified in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principals generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it. Management of the Meadow Brook Medical Care Facility did not present management's discussion and analysis in their report, and their auditors indicated that the Governmental Accounting Standards Board determined the analysis is necessary to supplement, although not required to be a part of the basic financial statements, when issuing their report.

Page 2  
Board of Commissioners  
Antrim County  
May 12, 2005

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Antrim, Michigan basic financial statements. The introductory section, and combining non-major fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining non-major fund financial statements have been subjected to the auditing procedures applied by me and the other auditors in the audit of the basic financial statements and, in my opinion, based on my audit and the report of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued my report dated May 12, 2005 on my consideration of Antrim County's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

A handwritten signature in black ink, appearing to read "Thomas R. Zick, CPA P.C.", written in a cursive style.

THOMAS R. ZICK CPA, P.C.  
CERTIFIED PUBLIC ACCOUNTANT

# **ANTRIM COUNTY, MICHIGAN**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of Antrim County, we offer readers of the Antrim County financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2004. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

### **Financial Highlights**

The assets of Antrim County exceed its liabilities at the close of fiscal year, 2004 by \$34,586,737. Of this amount \$15,287,999 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

- \* At December 31, 2004, the County's governmental funds reported combined ending fund balances of \$7,164,351.
- \* At December 31, 2004, unreserved fund balance for the General Fund was \$1,640,203 or 17.4% of General Fund expenditures.
- \* Governmental funds revenues were \$ 14,591,510.
- \* The final payment on the jail renovation bonds was paid during 2003. The County has no debt other than the bonds in the Hydro Electric Enterprise Fund.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County financial statements. The County basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS.** The *government-wide financial statements* are designed to provide readers with a broad overview of the County finances, in a manner similar to a private sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in *net assets* may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows: Thus, revenues and expenses are reported in this statement of some items that will only result in cash flows in future fiscal periods (e.g. accrued interest expense).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the County include legislative, judicial, general government, public safety, public works, health and welfare, and recreation and culture. The business-type activities of the County include delinquent property tax collection, medical care facility, transportation, and hydroelectric utility.

The government-wide financial statements include not only the County itself (known as the primary government), but also a legally separate component unit for which the County is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 9-11 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**FUND FINANCIAL STATEMENTS.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*GOVERNMENTAL FUNDS.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 71 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the general fund, considered to be the major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets for the County's major fund.

The basic governmental fund financial statements can be found on pages 12-15 of this report.

*Proprietary Funds.* The County maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its medical care facility, delinquent taxes, transportation and hydroelectric funds.

The basic proprietary fund financial statements can be found on pages 16-19 of this report.

*Fiduciary Funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 20 of this report.

**NOTES TO THE FINANCIAL STATEMENTS.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-41 of this report.

**OTHER INFORMATION.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statement. Combining statements and schedules can be found on pages 50-73 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceed liabilities by \$34,586,737 at the close of the most recent fiscal year. A large portion of the County's net assets reflects its investment in capital assets (e.g. land, buildings, vehicles, and equipment), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. At December 31, 2004 the County had no debt associated with its governmental fund capital assets.

Since this is the first year the County has prepared financial statements following GASB Statement No. 34, revenue and expense comparison to calendar year 2002 is not available. Comparisons will be shown in future periods.

#### ANTRIM COUNTY NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and Other Assets	\$ 13,931,182	\$ 14,039,100	\$ 10,929,578	\$ 10,264,145	\$ 24,860,760	\$ 24,303,245
Capital Assets	13,969,073	14,096,662	3,527,985	3,824,251	17,497,058	17,920,913
Total Assets	27,900,255	28,135,762	14,459,567	14,088,396	42,359,822	42,224,158
Long-Term Liabilities	-	-	220,000	240,000	220,000	240,000
Other Liabilities	6,766,831	9,076,418	784,250	756,467	7,551,081	9,832,885
Total Liabilities	6,766,831	9,076,418	1,004,250	996,467	7,771,081	10,072,885
Net Assets:						
Invested in Capital Assets						
Net of Related Debt	13,969,073	14,096,662	3,282,985	3,544,981	17,252,058	17,641,643
Restricted	1,297,292	1,474,836	749,388	677,093	2,046,680	2,151,929
Unrestricted	5,867,059	3,487,846	9,420,940	8,869,855	15,287,999	12,357,701
Total Net Assets	\$ 21,133,424	\$ 19,059,344	\$ 13,453,313	\$ 13,091,929	\$ 34,586,737	\$ 32,151,273

The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Investment in capital assets, net of related debt, is 49.9% of total net assets. An additional portion of the County's net assets (5.9%) represents resources that are subject to external restrictions on how they may be used. Restricted net assets are those net assets that have constraints placed on them by either: a)externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or b)imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purpose stipulated in the legislation. All such assets (except for assets invested in capital assets, net of related debt) are considered restricted or unrestricted. The unrestricted portion of the County's net assets is 44.2% of net assets. These net assets may be used to meet the government's ongoing obligations to citizens and creditors.



**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)****ANTRIM COUNTY  
CHANGES IN NET ASSETS**

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenue						
Program Revenue						
Charges for Services	\$ 2,795,956	\$ 3,149,869	\$ 7,962,283	\$ 8,921,116	\$ 10,758,239	\$ 12,070,985
Operating Grants and Contributions	1,572,119	1,651,751	18,913	386,613	1,591,032	2,038,364
Capital Grants		45,534	366,233	131,929	366,233	177,463
General Revenue						
Property Taxes	9,433,643	6,825,930	992,956	903,100	10,426,599	7,729,030
Other	789,792	930,161	942,676	100,663	1,732,468	1,030,824
Total Revenue	14,591,510	12,603,245	10,283,061	10,443,421	24,874,571	23,046,666
Expenses						
Legislative	144,485	123,752	-	-	144,485	123,752
Judicial	1,715,663	1,582,180	-	-	1,715,663	1,582,180
General Government	3,665,235	3,584,932	-	-	3,665,235	3,584,932
Public Safety	4,382,802	4,328,904	-	-	4,382,802	4,328,904
Public Works	5,051	3,604	-	-	5,051	3,604
Health and Welfare	2,267,509	2,523,205	-	-	2,267,509	2,523,205
Recreation and Culture	274,685	257,425	-	-	274,685	257,425
Interest on Debt	-	2,077	-	-	-	2,077
Delinquent Property Tax	-	-	73,188	228,100	73,188	228,100
Medical Care Facility	-	-	8,880,579	8,310,937	8,880,579	8,310,937
Other	-	-	1,029,910	900,723	1,029,910	900,723
Total Liabilities	12,455,430	12,406,079	9,983,677	9,439,760	22,439,107	21,845,839
Increase in Net Assets Before Transfer	2,136,080	197,166	299,384	1,003,661	2,435,464	1,200,827
Transfer	(62,000)	200,948	62,000	(200,948)	-	-
Increase in Net Assets	2,074,080	398,114	361,384	802,713	2,435,464	1,200,827
Net Assets - Beginning of Year	19,059,344	18,661,230	13,091,929	10,930,105	32,151,273	29,591,335
Net Assets - End of Year	\$ 21,133,424	\$ 19,059,344	\$ 13,453,313	\$ 11,732,818	\$ 34,586,737	\$ 30,792,162

**Governmental Activities**

Governmental activities increased the County's net assets by \$2,074,080 accounting for 85% of the total growth in the County's net assets. The main reasons for the change in fund balances and the change in net assets are capital outlays in the current year which are expensed under the modified accrual method are carried as fixed assets under full accrual. In addition, the new fund, Revenue Sharing Reserve set up by the State of Michigan generated \$2,163,132 in additional net assets.

Government activities include:

- \* Legislative activities – Expenditures related to the Board of Commissioners and high-level administrative expenditures.
- \* Judicial activities– Expenditures related to the administration of Circuit, District, and Probate/Family Courts and Court Probation units.
- \* General government activities – Expenditures related to the support department of the County such as Administration, Equalization, Treasury, Airport, Facilities Management, Finance, and Other.
- \* Public Safety – Expenditures related to the Sheriff's administration and road patrol and County corrections services.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- \* Health and Welfare – Expenditures related to public health services, child care, medical examiner, programs for seniors, and housing assistance programs.
- \* Parks and Recreation – Expenditures related to County parks.

### **Business-type activities**

The business-type activities of the County include proprietary operations.

Business-type activities increased the County's net assets before transfers by \$299,384 or 12.3% of the growth in net assets. The increase in the business-type activities' net assets was generated through interest and penalties on delinquent property taxes and interest earned on deposits in the Delinquent Tax Revolving Fund. The Medical Care Facility also showed an increase in net assets as a result of a tax levy. The Transportation Fund showed a decrease in net assets for the year.

Business-type activities include:

- \* Delinquent tax revolving fund – This fund was established as a means to provide the local governments within the County's jurisdiction with 100% of the property tax distributions owed to them annually. The County then acts as the collection agency for the outstanding delinquent taxes.
- \* Medical Care Facility – This fund was established to provide funds for care and maintenance of the medical care facility.
- \* Transportation Fund – This fund was established to provide funds for operation and maintenance of the transportation facilities.
- \* Elk Rapids Hydroelectric Fund – This fund was established to provide funds for operation and maintenance of the hydroelectric facility.

### **Financial Analysis of the Government's Funds**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County governmental fund statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Unreserved fund balance represented 27.2% of annual government expenditures in 2004 in the governmental funds.

The General fund balance increased by \$408,464 from \$1,231,739 to \$1,640,203 during 2004 due to growth of general fund revenue by 3.15% while expenditures grew by 1.63%. Expenditure growth was highest in general government and judicial services. Unreserved fund balance of \$1,640,203 is available for spending at the County's discretion.

Proprietary funds. The County proprietary funds provide the same type of information found in the government wide financial statements, but in more detail.

	UNRESTRICTED NET ASSETS	
	2004	2003
Proprietary Fund		
Enterprise Funds		
100% Tax Payment fund	\$ 6,292,581	\$ 5,729,494
Medical Care Facility	\$ 2,739,460	\$ 2,615,143
Transportation Fund	\$ 194,682	\$ 331,038
Elk Rapids Hydro Electric	\$ 194,217	\$ 59,330

Other factors considering the finances of these funds have been addressed in the discussion of the County's business-type activities.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

### **General Fund Budgetary Highlights**

Amended budgetary expenditures differed from the originally adopted with the following being the more significant amendments:

#### **Revenues:**

State Revenue Sharing was increased by	\$	80,668
District Court fees were increased by		95,500
Register of Deeds services were increased by		85,000
Rents were increased by		31,000

#### **Expenses:**

District Court was increased by	55,100
Public Safety was increased by	115,666

### **Capital Asset and Debt Administration**

Capital Assets – A capital asset is an asset whose cost exceeds \$3,000 and useful life is greater than two years. Included in the cost of a capital asset are items such as labor and freight and any other costs associated with bringing the asset into full operation. Assets are depreciated using the straight-line method over the course of their useful lives.

The County currently has no debt except for general obligation revenue bonds in the hydroelectric fund. All governmental fund related debt is paid in full.

### **Economic Factors and Next Year's Budgets and Rates**

The taxable value of commercial, residential, and personal property increased 7.49% from 2003 to 2004. This growth is expected to continue.

In a climate where other counties are seeing their revenues shrink, Antrim County has enjoyed slow but steady economic growth during the last two years, despite the broader economic climate. We attribute much of our county's growth to the increase in development of the recreational assets of the county such as parks, golf courses, and resorts. The County anticipates slow economic growth to continue throughout 2005.

### **Requests for Information**

This financial report is designed to provide a general overview of the County finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be referred to the Antrim County Clerk, P.O Box 520, Bellaire MI 49615.

ANTRIM COUNTY  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2004

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Road Commission
<b>ASSETS</b>				
Cash demand and time deposits	\$ 5,073,014	\$ 2,015,803	\$ 7,088,817	\$ 585,958
Investments	8,000	5,091,508	5,099,508	115,281
Receivables				
Accounts	92,284	698,679	790,963	71,815
Current tax	7,534,461	1,005,961	8,540,422	-
Delinquent tax	-	1,597,406	1,597,406	-
Interest and penalties	-	395,327	395,327	-
Other governments	174,624	37,290	211,914	617,783
Mortgages	1,688,743	-	1,688,743	-
Prepaid items and other assets	-	73,981	73,981	31,191
Inventory	-	13,623	13,623	397,673
Capital assets				
Land	7,487,872	5,541	7,493,413	-
Other capital assets, net of depreciation	6,481,201	3,522,444	10,003,645	6,689,837
<b>TOTAL ASSETS</b>	<b>28,540,199</b>	<b>14,457,563</b>	<b>42,997,762</b>	<b>8,509,538</b>
<b>LIABILITIES</b>				
Account payable	349,024	219,038	568,062	58,278
Accrued liabilities	170,275	506,217	676,492	21,391
Due to other governments	2,643	-	2,643	-
Advance from other governments	-	-	-	179,731
Deferred revenue	6,884,833	33,995	6,918,828	102,211
Noncurrent liabilities:				
Accrued compensated absences	-	-	-	200,971
Due within one year	-	25,000	25,000	195,000
Due in more than one year	-	220,000	220,000	615,000
<b>TOTAL LIABILITIES</b>	<b>7,406,775</b>	<b>1,004,250</b>	<b>8,411,025</b>	<b>1,372,582</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	13,969,073	3,282,985	17,252,058	5,879,837
Restricted for:				
Debt Service	9,824	-	9,824	-
Capital Projects	286,163	-	286,163	-
Central Dispatch/911	803,780	-	803,780	-
Medical Care Restricted Donations	-	419,315	419,315	-
Register of Deeds Automation	109,586	-	109,586	-
Construction Code Enforcement	32,264	-	32,264	-
Other	55,675	330,073	385,748	-
County Roads	-	-	-	1,257,119
Unrestricted	5,867,059	9,420,940	15,287,999	-
<b>TOTAL NET ASSETS</b>	<b>\$ 21,133,424</b>	<b>\$ 13,453,313</b>	<b>\$ 34,586,737</b>	<b>\$ 7,136,956</b>

See Notes to Financial Statements

ANTRIM COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2004

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government</b>					
Governmental Activities					
Legislative	\$ 144,485	\$ -	\$ -	\$ -	\$ (144,485)
Judicial	1,715,663	466,013	341,278	-	(908,372)
General Government	3,665,235	1,107,398	297,945	-	(2,259,892)
Public Safety	4,382,802	860,831	344,437	-	(3,177,534)
Public Works	5,051	-	-	-	(5,051)
Health and Welfare	2,267,509	251,936	577,134	-	(1,438,439)
Recreation and Culture	274,685	109,778	11,325	-	(153,582)
Total Governmental Activities	12,455,430	2,795,956	1,572,119	-	(8,087,355)
Business-type Activities					
Delinquent Property Tax	73,188	684,099	-	-	610,911
Medical Care Facility	8,867,582	7,798,341	18,913	-	(1,050,328)
Other	1,029,910	313,126	355,308	10,925	(350,551)
Total Business-type Activities	9,970,680	8,795,566	374,221	10,925	(789,968)
Total Primary Government	\$ 22,426,110	\$ 11,591,522	\$ 1,946,340	\$ 10,925	\$ (8,877,323)
<b>Component Unit</b>					
Road Commission	\$ 3,827,549	\$ 625,941	\$ 3,625,024	\$ 822,263	\$ 1,245,679
Total Component Units	\$ 3,827,549	\$ 625,941	\$ 3,625,024	\$ 822,263	\$ 1,245,679

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
STATEMENT OF ACTIVITIES (Concluded)  
FOR THE YEAR ENDED DECEMBER 31, 2004

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Road Commission
<b>Changes in net assets</b>				
Net (expense) revenue	\$ (8,087,355)	\$ (789,968)	\$ (8,877,323)	\$ 1,245,679
General revenues:				
Property taxes	9,433,643	992,956	10,426,599	-
Convention tax	117,063	-	117,063	-
Cigarette tax	13,291	-	13,291	-
State shared revenue not restricted to specific programs	204,552	-	204,552	-
Unrestricted investment earnings	138,095	109,393	247,488	12,108
Rents	316,791		316,791	-
Sales of capital assets	-	(12,997)	(12,997)	4,000
Transfers - internal activities	(62,000)	62,000	-	-
Total general revenues, contributions and transfers	10,161,435	1,151,352	11,312,787	16,108
Change in net assets	2,074,080	361,384	2,435,464	1,261,787
Net assets, beginning of year	19,059,344	13,091,929	32,151,273	5,875,169
<b>Net assets, end of year</b>	<b>\$ 21,133,424</b>	<b>\$ 13,453,313</b>	<b>\$ 34,586,737</b>	<b>\$ 7,136,956</b>

See Notes to Financial Statements

ANTRIM COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	MAJOR FUNDS			
	GENERAL FUND	REVENUE SHARING RESERVE	OTHER FUNDS	TOTAL
ASSETS				
Cash	\$ 1,606,136	\$ -	\$ 3,466,878	\$ 5,073,014
Investments	-	-	8,000	8,000
Receivables				
Taxes	4,676,741	2,338,371	519,349	7,534,461
Accounts	41,062	-	51,222	92,284
Mortgages	-	-	1,688,743	1,688,743
Due From Other Funds	186,239	-	6,538	192,777
Due From Other Governmental Units	133,174	-	41,450	174,624
TOTAL ASSETS	<u>\$ 6,643,352</u>	<u>\$ 2,338,371</u>	<u>\$ 5,782,180</u>	<u>\$ 14,763,903</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 209,799	\$ -	\$ 139,225	\$ 349,024
Accrued Liabilities	112,034	-	58,241	170,275
Due to Other Funds	4,575	175,239	12,963	192,777
Due to Other Governmental Units	-	-	2,643	2,643
Deferred Revenue	4,676,741	-	2,208,092	6,884,833
TOTAL LIABILITIES	<u>5,003,149</u>	<u>175,239</u>	<u>2,421,164</u>	<u>7,599,552</u>
FUND BALANCES				
Reserved	-	2,163,132	1,275,579	3,438,711
Unreserved	1,640,203	-	2,085,437	3,725,640
TOTAL FUND BALANCES	<u>1,640,203</u>	<u>2,163,132</u>	<u>3,361,016</u>	<u>7,164,351</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,643,352</u>	<u>\$ 2,338,371</u>	<u>\$ 5,782,180</u>	<u>\$ 14,763,903</u>

See Notes to Financial Statements

ANTRIM COUNTY  
Reconciliation of Fund Balances on the Balance Sheet  
for Governmental Funds to Net Assets of  
Governmental Activities on the Statement of Net Assets  
DECEMBER 31, 2004

Fund Balances - Total Governmental Funds	\$7,164,351
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Amounts reported for *governmental activities* in the statement of net assets  
are different because:

Capital assets used in governmental activities are not financial resources  
and therefore are not reported in the funds.

Capital Assets - at Cost	20,376,609
Accumulated Depreciation	<u>(6,407,536)</u>

Net Assets of Governmental Activities	<u><u>\$21,133,424</u></u>
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See Notes to Financial Statements



ANTRIM COUNTY  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	MAJOR FUNDS			TOTAL
	GENERAL FUND	REVENUE SHARING RESERVE	OTHER FUNDS	
REVENUES				
Taxes	\$ 6,608,133	\$ 2,338,371	\$ 487,139	\$ 9,433,643
Licenses and Permits	151,130	-	199,709	350,839
Intergovernmental Revenue:				
Federal	68,495	-	317,193	385,688
State	948,351	-	353,132	1,301,483
Other Local Units	-	-	15,646	15,646
Charges for Services	1,382,597	-	884,181	2,266,778
Fines and Forfeits	15,290	-	36,121	51,411
Interest and Rents	264,716	-	184,505	449,221
Other Revenue	176,162	-	160,639	336,801
<b>TOTAL REVENUES</b>	<b>9,614,874</b>	<b>2,338,371</b>	<b>2,638,265</b>	<b>14,591,510</b>
EXPENDITURES				
Current				
Legislative	144,485	-	-	144,485
Judicial	1,657,440	-	26,065	1,683,505
General Government	3,165,416	-	296,044	3,461,460
Public Safety	2,791,431	-	1,497,808	4,289,239
Public Works	5,051	-	-	5,051
Health and Welfare	480,764	-	1,786,745	2,267,509
Recreation and Cultural	220,032	-	45,440	265,472
Capital Outlay	63,921	-	147,199	211,120
Debt Service:				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>8,528,540</b>	<b>-</b>	<b>3,799,301</b>	<b>12,327,841</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,086,334</b>	<b>2,338,371</b>	<b>(1,161,036)</b>	<b>2,263,669</b>
OTHER FINANCING SOURCES (USES)				
Transfers In	204,442	-	1,109,591	1,314,033
Transfers (Out)	(882,312)	(175,239)	(318,482)	(1,376,033)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(677,870)</b>	<b>(175,239)</b>	<b>791,109</b>	<b>(62,000)</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>408,464</b>	<b>2,163,132</b>	<b>(369,927)</b>	<b>2,201,669</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>1,231,739</b>	<b>-</b>	<b>3,730,943</b>	<b>4,962,682</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 1,640,203</b>	<b>\$ 2,163,132</b>	<b>\$ 3,361,016</b>	<b>\$ 7,164,351</b>

See Notes to Financial Statements

ANTRIM COUNTY  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
FOR THE YEAR ENDED DECEMBER 31, 2004

Net Change in Fund Balances - Total Governmental Funds	\$2,201,669
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Add - Capital Outlay	211,120
Deduct - Depreciation Expense	<u>(338,709)</u>
Revenues in the statement of activities that do not provide current resources are not reported as fund revenues	
Change in Net Assets of Governmental Activities	<u><u>\$2,074,080</u></u>

See Notes to Financial Statements

ANTRIM COUNTY  
PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2004

	MAJOR FUNDS				
	100% TAX PAYMENT	MEDICAL CARE FACILITY	ELK RAPIDS HYDRO ELECTRIC	OTHER	TOTAL
ASSETS					
Current Assets					
Cash	\$ 29,921	\$ 1,798,461	\$ 3,800	\$ 183,621	\$ 2,015,803
Investments	4,600,000	312,814	178,694	-	5,091,508
Receivables:					
Accounts	-	662,164	14,324	22,191	698,679
Taxes	-	1,005,961	-	-	1,005,961
Delinquent Taxes	1,597,406		-	-	1,597,406
Interest and Penalties	395,327	-	-	-	395,327
Due from State	-	-	-	37,290	37,290
Prepaid Expenses	-	64,391	-	9,590	73,981
Inventories	-	-	-	13,623	13,623
Capital Assets - net	-	2,706,023	253,848	568,114	3,527,985
TOTAL ASSETS	6,622,654	6,549,814	450,666	834,429	14,457,563
LIABILITIES					
Accounts Payable	-	155,975	2,601	60,462	219,038
Accrued Liabilities	-	495,046	-	11,171	506,217
Due to Other Governments	-	-	-	-	-
Bonds Payable	-	-	245,000	-	245,000
Deferred Revenue	-	33,995	-	-	33,995
TOTAL LIABILITIES	-	685,016	247,601	71,633	1,004,250
NET ASSETS					
Investment in Capital Assets, Net of Related Debt	-	2,706,023	8,848	568,114	3,282,985
Unrestricted net assets	6,292,581	2,739,460	194,217	194,682	9,420,940
Restricted net assets	330,073	419,315	-	-	749,388
TOTAL NET ASSETS	\$ 6,622,654	\$ 5,864,798	\$ 203,065	\$ 762,796	\$ 13,453,313

See Notes to Financial Statements

ANTRIM COUNTY  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
DECEMBER 31, 2004

	MAJOR FUNDS				
	100% TAX PAYMENT	MEDICAL CARE FACILITY	ELK RAPIDS HYDRO ELECTRIC	OTHER	TOTAL
OPERATING REVENUES					
Interest and Penalties on Taxes	\$ 466,798	\$ -	\$ -	\$ -	\$ 466,798
Charges for Services	138,042	7,511,115	78,381	234,745	7,962,283
Sale of Properties at Tax Auction	79,259	-	-	-	79,259
Other Income	-	287,226	-	-	287,226
TOTAL OPERATING REVENUES	684,099	7,798,341	78,381	234,745	8,795,566
OPERATING EXPENSES					
Salary Expense	-	5,077,848	-	311,804	5,389,652
Fringe Benefit Expense	-	1,390,061	-	212,021	1,602,082
Other Expenses	73,188	2,032,982	27,647	273,435	2,407,252
Depreciation Expense	-	366,691	25,421	161,664	553,776
TOTAL OPERATING EXPENSES	73,188	8,867,582	53,068	958,924	9,952,762
OPERATING INCOME (LOSS)	610,911	(1,069,241)	25,313	(724,179)	(1,157,196)
NONOPERATING REVENUES (EXPENSES)					
Interest Earned on Investments	66,716	36,517	1,490	4,670	109,393
Interest Expense	-	-	(17,918)	-	(17,918)
Tax Levy	-	992,956	-	-	992,956
Restricted Donations/Income	-	18,913	-	-	18,913
(Loss) on Sale of Assets	-	(12,997)	-	-	(12,997)
Federal Grants	-	-	-	73,290	73,290
State Grants	-	-	-	292,943	292,943
TOTAL NONOPERATING REVENUES (EXPENSES)	66,716	1,035,389	(16,428)	370,903	1,456,580
INCOME BEFORE OPERATING TRANSFERS	677,627	(33,852)	8,885	(353,276)	299,384
TRANSFERS					
Transfers from Other Funds	-	-	-	62,000	62,000
Transfers to Other Funds	-	-	-	-	-
TOTAL TRANSFERS	-	-	-	62,000	62,000
CHANGE IN NET ASSETS	677,627	(33,852)	8,885	(291,276)	361,384
NET ASSETS, BEGINNING OF YEAR	5,945,027	5,898,650	194,180	1,054,072	13,091,929
NET ASSETS, END OF YEAR	\$ 6,622,654	\$ 5,864,798	\$ 203,065	\$ 762,796	\$ 13,453,313

See Notes to Financial Statements

ANTRIM COUNTY  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	ENTERPRISE FUNDS				
	100% TAX PAYMENT	MEDICAL CARE FACILITY	ELK RAPIDS HYDRO ELECTRIC	OTHER	TOTAL
Cash Flows from Operating Activities:					
Cash received from customers	\$ -	\$ 7,497,557	\$ 80,045	\$ 228,215	\$ 7,805,817
Cash received from sale of taxes at auction	79,259	-	-	-	79,259
Cash payments for goods and services	(73,188)	(8,457,026)	(29,933)	(246,081)	(8,806,228)
Cash received from penalties and interest on delinquent taxes	472,564	-	-	-	472,564
Cash received from other sources	-	256,510	-	-	256,510
Cash payments to employees for services/fringe benefits	-	-	-	(521,346)	(521,346)
Cash received for delinquent taxes	2,985,657	-	-	-	2,985,657
Cash payments for delinquent taxes	(3,417,631)	-	-	-	(3,417,631)
Net Cash Provided (Used) by Operating Activities	46,661	(702,959)	50,112	(539,212)	(1,145,398)
Cash Flows from Non Capital Financing Activities:					
Transfers from (to) other funds	-	-	-	62,000	62,000
Proceeds from county tax levy	-	881,177	-	-	881,177
Contributions received	-	18,913	-	-	18,913
Operating grants received	-	-	-	309,463	309,463
Activities	-	900,090	-	371,463	1,271,553
Cash Flows from Capital and Related Financing Activities:					
Acquisition of capital assets	-	(264,864)	-	(6,743)	(271,607)
Capital acquisition grants - received in cash	-	-	-	10,925	10,925
Principal paid on bonds	-	-	(20,000)	-	(20,000)
Interest paid on bonds	-	-	(17,918)	-	(17,918)
Proceeds from sale of property and equipment	-	1,100	-	-	1,100
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(263,764)	(37,918)	4,182	(297,500)
Cash Flows from Investing Activities:					
Interest Received	66,716	32,906	1,490	4,669	105,781
Net Cash Provided by Investing Activities	66,716	32,906	1,490	4,669	105,781
Net Increase (Decrease) in Cash and Cash Equivalents	113,377	(33,727)	13,684	(158,898)	(65,564)
Cash and Cash Equivalents, Beginning of Year	4,516,544	1,832,188	168,810	342,519	6,860,061
Cash and Cash Equivalents, End of Year	\$ 4,629,921	\$ 1,798,461	\$ 182,494	\$ 183,621	\$ 6,794,497

See Notes to Financial Statements

ANTRIM COUNTY  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2004

	ENTERPRISE FUNDS				
	100% TAX PAYMENT	MEDICAL CARE FACILITY	ELK RAPIDS HYDRO ELECTRIC	OTHER	TOTAL
Operating Income (Loss)	\$ 610,911	\$ (1,069,241)	\$ 25,313	\$ (724,179)	\$ (1,157,196)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation Expense	-	366,691	25,421	161,664	553,776
Provision for bad debt	-	7,198	-	-	7,198
Changes in Assets and Liabilities:					-
(Increase) Decrease in Accounts Receivable	-	(20,756)	1,665	(6,530)	(25,621)
(Increase) Decrease in Delinquent Taxes Receivable	(431,974)	-	-	-	(431,974)
(Increase) Decrease in Interest and Penalties Receivable	(132,276)	-	-	-	(132,276)
(Increase) Decrease in Inventories	-	-	-	(4,507)	(4,507)
(Increase) Decrease in Prepaid Expenses	-	7,309	-	1,555	8,864
Increase (Decrease) in Accounts Payable	-	(626)	(2,287)	30,306	27,393
Increase (Decrease) in Accrued Liabilities	-	37,182	-	2,479	39,661
Deferred Revenues	-	(30,716)	-	-	(30,716)
Net Cash Provided (Used) by Operating Activities	\$ 46,661	\$ (702,959)	\$ 50,112	\$ (539,212)	\$ (1,145,398)

See Notes to Financial Statements

ANTRIM COUNTY  
STATEMENT OF FIDUCIARY FUND NET ASSETS  
AGENCY FUNDS  
DECEMBER 31, 2004

	<u>ASSETS</u>	
Cash		<u>\$ 1,411,385</u>
	<u>TOTAL ASSETS</u>	<u>\$ 1,411,385</u>
	<u>LIABILITIES</u>	
Due to Other Governmental Units		\$ 202,459
Undistributed Collections		1,159,181
Other Liabilities		<u>49,745</u>
	<u>TOTAL LIABILITIES</u>	<u>\$ 1,411,385</u>

See Notes to Financial Statements

ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2004

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the County conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the significant accounting policies:

**DESCRIPTION OF COUNTY OPERATIONS AND FUND TYPES**

The County was organized in 1863 and covers an area of approximately 475 square miles with the County seat located in Bellaire, Michigan. The County operates under an elected Board of Commissioners of nine (9) members and provides services, assistance and care to its more than 23,000 residents, primarily from the operations of its General Fund and Special Revenue Funds. The County's services, assistance and care includes the (1) general county departments, boards and commissions; (2) court system administration; (3) law enforcement and corrections; (4) assistance and/or institutional care to the aged, needy, wards of the court and neglected children, public and mental health recipients; (5) libraries, and (6) recreation.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles as applies to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

**REPORTING ENTITY**

The accompanying financial statements present the County (primary government) and its component units, entities for which the government is considered to be financially accountable. Discretely presented component units, on the other had are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

The Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity" and the State of Michigan Department of Treasury established criteria for governmental organizations to be considered to be part of the County for financial reporting purposes. The criteria included oversight responsibility, fiscal dependency and whether the statements would be misleading if data were not included.

The financial statements of certain governmental organizations are not included in the financial statements of the County: (1) Education services which are provided to citizens through the several local school districts that are separate governmental entities.

**DISCRETELY PRESENTED COMPONENT UNIT**

The Antrim County Road Commission is considered a component unit of the County. It's financial statement is discretely presented in the County combined financial statements as required by accounting principles generally accepted in the United States of America revised under GASB 14. The road commission data is shown in the column entitled road commission and is discretely presented to emphasize that the road commission has its own board, appointed by the board of commissioners, and acts, under Michigan Statute as a separate board. Complete financial statements of the Road Commission Component Unit can be obtained directly from the Road Commission office at 319 East Lincoln St., Mancelona, Michigan 49659.

**JOINTLY GOVERNED ORGANIZATIONS**

The North Country Community Mental Health Authority consists of the counties of Otsego, Emmet, Charlevoix, Cheboygan, Antrim and Kalkaska. Financial records for this Authority are maintained by the mental health authority and are audited separately from any of the member counties. A copy of a financial statement and audit report would be available at the Authority office located at 1 MacDonald Drive, Suite A, Petoskey, Michigan 49770.



ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The funding formula for the Community Mental Health operations is in accordance with an agreement approved by all of the member counties and the local contribution was frozen, by statute, at the amount contributed in the previous year 2002. For 2004 Antrim County's local match was \$145,611. Their financial statements are not required, under GASB No. 14, to be included in the Antrim County report.

The 86<sup>th</sup> District Court is comprised of Antrim, Grand Traverse and Leelanau Counties. The court funding formula is based upon caseload. All of Antrim County's expenses for the operation of the court are recorded in the general fund under the District Court caption.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are charged based upon a countywide cost allocation plan, which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. After March 1 of the year for which they were levied, the Delinquent Tax Revolving Fund pays the County for any outstanding taxes as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are considered to be available when all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

GENERAL FUND This fund is the County's the primary general operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

REVENUE SHARING RESERVE FUND – This fund was established by the State of Michigan during 2004 as a result of legislation that in effect shifted an obligation formerly funded by the State to the local taxpayers by levying taxes sooner.

The County reports the following major enterprise funds:

MEADOW BROOK MEDICAL CARE FACILITY – This fund is a 113 bed long-term medical care facility.

DELINQUENT PROPERTY TAX FUND – This fund is used to pay each local governmental unit, including the County General Fund, the respective amount of taxes not collected as of March 1 of each year. Financing is provided by subsequent collection of delinquent property taxes by the County Treasurer.

ELK RAPIDS HYDRO ELECTRIC – This is an enterprise fund which generates power from a county owned facility and sells it to a local utility. It became a major fund this year because of the outstanding debt and its percentage to total liabilities.

Additionally, the County reports the following fund types:

SPECIAL REVENUE FUNDS - These funds are used to account for specific revenues derived primarily from sources (other than major capital projects) and related expenditures which are restricted for specific purposes by administrative action or law.

DEBT SERVICE FUNDS – account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the Building Authority.

CAPITAL PROJECTS FUNDS - The Capital Projects Funds are used to account for the acquisition or construction of major capital facilities other than those financed by enterprise funds or special assessments.

AGENCY FUNDS – are used to account for assets held on behalf of outside parties, including other governments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidelines.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are interest and penalties on delinquent taxes and charges for services provided. The principal operating revenues of the County's internal service funds are charges to County departments for equipment amortization and insurance coverage. Operating expenses for the enterprise funds consist of administrative expenses. Operating expenses for the internal service funds include the cost of services (including claims), administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

**BUDGETS AND BUDGETARY ACCOUNTING**

**PRIMARY GOVERNMENT**

A budget is adopted by the Board of Commissioners in accordance with Michigan Public Act 621 of 1978, The Uniform Budgeting and Accounting Act, for the general and special revenue funds. The Board amends the budget as necessary during the year. The budget is adopted on the modified accrual basis of accounting consistent with the actual financial statements for these funds. The budget is adopted at the activity level and control is exercised at the activity level for the General Fund and Special Revenue Funds. All budget appropriations lapse at the end of each fiscal year.

The County does not use encumbrances in its accounting system.

**DISCRETE COMPONENT UNIT**

Budgetary procedures are established pursuant to Michigan Public Act 621, PA 1978, as amended, (MCL 141.421) which requires the County Board of Road Commissioners to approve a budget for the County Road Fund. Pursuant to the Act, the Road Commission's chief financial officer prepares and submits a proposed operating budget to the Board of Road commissioners for its review and consideration. The budget is amended as necessary during the year, and is approved by the Board. The budget is prepared on the modified accrual basis of accounting, which is the same basis utilized for the fund financial statements.

**ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY**

**BANK DEPOSITS AND INVESTMENTS** – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair market value.

**RECEIVABLES AND PAYABLES** – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

CURRENT PROPERTY TAX LEVY - The County property tax is levied as of December 1 on the state equalized valuation of property located in the County as of the preceding December 31 and attach an enforceable lien on the property. Although the County's 2004 property taxes are levied and collectable on December 1, 2004, it is the County's policy to recognize revenues from the current tax levy in the subsequent year when the proceeds of this levy are budgeted and made available for the financing of County operations. Current property taxes from the December 1 levy, which are received prior to December 31, are normally held in the County's Trust and Agency Fund. It is the County's policy, through its Internal Service 100% Tax Payment Fund, to purchase delinquent real property taxes and special assessments each year to afford 100% collection of the current levy.

The 2004 taxable value of Antrim County amounted to \$1,390,866,162 on which 5.0437 mills were levied for County operating purposes and .3734 mills for Commission on Aging operations and .7203 mills for Medical Care Facility operations. In addition, specific taxes are levied under the Industrial Facilities Tax Act and Commercial Forest Reserve Act. The 2004 current tax levies of \$7,015,112 for County operations, \$519,369 for Commission on Aging operations, and \$1,005,961 for Meadow Brook Medical Care operations are recorded in the General Fund, the Commission on Aging Special Revenue Fund, and the Meadow Brook Medical Care Facility Enterprise Fund financial statements as taxes receivable with an offsetting credit to deferred revenue. The Medical Care Facility levy was recorded as revenue in that fund.

TAXES RECEIVABLE - DELINQUENT - The taxes receivable of \$1,597,406 which are recorded in the Enterprise 100% Tax Payment Fund, consist of the unpaid delinquent real property taxes which were purchased from all of the taxing units in Antrim County by the County's 100% Tax Payment Fund.

INVENTORIES AND PREPAID ITEMS ROAD COMMISSION (COMPONENT UNIT) – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statement.

CAPITAL ASSETS – Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the activities column in the government-as assets with an initial individual cost of more then \$3,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	40 to 60 years
Building Improvements	15 to 30 years
Water and Sewer Lines	50 to 75 years
Roads	10 to 30 years
Other Infrastructure	8 to 50 years
Vehicles	3 to 5 years
Office Equipment	5 to 7 years
Computer Equipment	3 to 7 years

DEFERRED REVENUE – Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned.

ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

LONG-TERM OBLIGATIONS - In the government-wide financial statements and proprietary fund type statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. For new bond issuances after the implementation of GASB Statement No. 34, material bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt used is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

FUND EQUITY - In the fund financial statements, governmental and business-type funds report reservations of fund balance for amounts that are not are legally restricted for use for a specific purpose.

**NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS / FUND DEFICITS**

Public Act 621 of 1978, as amended, requires the adoption of a balanced budget for general and special revenue funds, as well as budget amendments as needed to prevent actual expenditures from exceeding those provided for in the budget. The approved budgets of the County for all budgetary funds were adopted at the department (activity) levy.

PRIMARY GOVERNMENT

During the year ended December 31, 2004 expenditures were incurred in excess of the amounts appropriated in the amended budget of the general fund and special revenue fund types of the primary government as follows:

	Amended Budget	Actual	Variance
General:			
District Court	\$ 531,248	\$ 542,007	\$ (10,759)
Purchasing	39,488	40,657	(1,169)
Transfers Out:			
County Building & Structures	\$ -0-	\$ 16,821	\$ (16,821)
Special Revenue:			
Self-Insured Reserve	\$ 150,000	\$ 180,000	\$ (30,000)
Airport Grant Match	\$ 2,550	\$ 18,977	\$ (16,427)
Friend of Court	\$ 2,100	\$ 2,340	\$ (240)
Homestead Prop Tax Exemption	\$ 6,200	\$ 6,203	\$ (3)
Wetzel Lake	\$ 586	\$ 886	\$ (300)
911 Training	\$ 4,095	\$ 4,804	\$ (709)
Driving Intoxicated	\$ -0-	\$ 7	\$ (7)
Michigan Justice Training	\$ 3,500	\$ 5,272	\$ (1,772)
Housing 03 / 04 Grant	\$ 180,000	\$ 180,274	\$ (274)
Emergency Services SAP	\$ 15,000	\$ 20,000	\$ (5,000)
Revenue Sharing Reserve	\$ 1,770	\$ 175,239	\$ (173,469)
Probate Grant	\$ 11,600	\$ 13,232	\$ (1,632)
Emergency Services LEPC	\$ -0-	\$ 200	\$ (200)

ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS / FUND DEFICITS (CONTINUED)**

Fund Deficits – The County accumulated fund balance/retained earning deficits in the following individual fund.

Governmental: Special Revenue:

Probate Grant	\$ (286)
Services for Aged	\$ (33,171)

Public Act 275 of 1980 requires the County to file a deficit elimination plan within 90 days after December 31, 2004. The County has not filed the required plan, however, the deficits are expected to be eliminated in 2004 and an appropriate plan will be filed.

The following funds budgeted for a deficit in violation of PA 621

State Homeland Security Grant	\$ (40,000)
State Emergency Services Exercise Grant	\$ (1,500)
911 Wireless	\$ (18,834)
Sheriff Fingerprint Grant	\$ (36)
Probate Grant	\$ (1,885)
Housing Home Rehab	\$ (10,000)
Commission on Aging	\$ (37,452)

**NOTE 3 - CASH AND INVESTMENTS**

The captions on the accompanying balance sheet related to cash and investments are as follows:

	<u>Cash/Checking and Savings</u>	<u>Investments</u>	<u>Total</u>
Primary Government			
Government Activities	\$ 3,935,271	\$ 1,145,743	\$ 5,081,014
Business-type Activities	1,587,739	5,519,572	7,107,311
Agency Funds	1,411,385	-	1,411,385
Component Unit			
Road Commission	585,958	115,281	701,239
	<u>\$ 7,520,353</u>	<u>\$ 6,780,596</u>	<u>\$ 14,300,949</u>

Deposits - At year-end, the carrying amount of the County's deposits was \$6,916,734 and the bank balance of \$7,194,131 was classified as to risk as follows:

Insured	\$ 872,918
Uninsured – Uncollateralized	6,321,213
	<u>\$ 7,194,131</u>

Investments - Act 217, PA 1982, authorized the County to deposit and invest in the following:

- (a) bonds, securities and other direct obligations of the United States or its agencies
- (b) certificates of deposit, savings and accounts, deposit accounts, or depository receipts of federally insured banks, insured savings and loan associations or credit unions insured by the National Credit Union Administration that are eligible to be depository of surplus money belonging to the State and maintains a principal office or branch office in Michigan.

ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 3 - CASH AND INVESTMENTS (CONTINUED)**

- (c) commercial paper rated at time of purchase within the three highest classifications established by not less than two standard rating services. Maturity cannot be more than 270 days after purchase.
- (d) United States government or Federal agency obligation repurchase agreements
- (e) bankers' acceptance of United States banks
- (f) mutual funds properly registered with the State of Michigan, composed of investments which are legal for direct investments by local units of government in Michigan.

The County's investments are categorized below to give an indication of the level of risk assumed by the County at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the County's name.

	Category			Carrying
	1	2	3	Amount
Commercial Paper	\$ 980,207	-0-	-0-	\$ 980,207
U.S. Treasury Notes/Agency	812,814	-0-	-0-	812,814
Total Categorized Investments	\$ 1,793,021	\$ -0-	\$ -0-	1,793,021

Investments held by:

Bank One – governmental MM Fund	139,405
Citizens Bank - Treasury Portfolio Class B	2,482,063
National City Bank - MM Sweep	8,000
MBIA Class Fund	1,497,201
Merrill Lynch Governmental Securities Fund	115,281
Citigroup – governmental money fund	965
UBS financial Services Group – RMA Government Portfolio	7,680
Standard Federal Public funds MMA/Govt Portfolio	<u>736,980</u>

Total Investments Per Report \$ 6,780,596

The investments held by Citizens Bank, National City Bank, MBIA Class Fund, Standard Federal Bank, Bank One, Citigroup, Merrill Lynch, and UBS Financial Services Group are the County's share of investment pools which are made up of U.S. Treasury, agencies, and instrumentalities, commercial paper, banker's acceptances, repurchase agreements, and reverse repurchase agreements which are not in the name of the County, however they are considered mutual funds and not required to be categorized in accordance with GASB #3. Investments in U.S. Treasury Notes are held by Fifth Third Securities, Inc. and UBS Financial Services, Inc., and the Commercial Paper is held by Citigroup.

ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 4 – RECEIVABLES / DEFERRED REVENUE**

Receivables as of year-end for the government's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Revenue Sharing Reserve</u>	<u>Non-Major And Other Funds</u>	<u>Total</u>
Taxes Receivable	\$4,676,741	\$2,338,371	\$519,349	\$7,534,461
Accounts	41,062		51,222	92,284
Mortgages			1,688,243	1,688,243
Intergovernmental	133,174		41,450	174,624
Net Receivables	<u>\$4,850,977</u>	<u>\$2,338,371</u>	<u>\$2,300,264</u>	<u>\$9,489,612</u>

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
Delinquent Property Taxes	\$4,676,741	\$0	\$4,676,741
Housing Fund Mortgages		1,688,243	1,688,243
Total	<u>\$4,676,741</u>	<u>\$1,688,243</u>	<u>\$6,364,984</u>

**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances is as follows:

<u>Receivable Fund</u>		<u>Payable Fund</u>	
Due To/From Other Funds			
General	\$ 186,239	Revenue Sharing Reserve	\$ 175,239
		Other Non-Major Funds	\$ 11,000
Total	<u>\$ 186,239</u>		<u>\$ 186,239</u>

**Interfund Transfers**

	<u>Operating Transfer In</u>	<u>Operating Transfer Out</u>	<u>Total</u>
Transfers In			
General Fund	\$ 204,442	\$ 882,312	\$ (677,870)
Revenue Sharing Reserve Fund	-	175,239	(175,239)
Non-Major Governmental Funds	1,109,591	318,482	791,109
Proprietary Funds	<u>62,000</u>	<u>-0-</u>	<u>62,000</u>
Total	<u>\$1,376,033</u>	<u>\$ 1,376,033</u>	<u>\$ -0-</u>



ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity of the primary government for the current year was as follows:

	Balance 1/1/04	Additions	Disposals	Balance 12/31/04
Capital assets not being depreciated:				
Land	\$ 7,487,872	\$ -	\$ -	\$ 7,487,872
Subtotal	7,487,872	-	-	7,487,872
Capital assets being depreciated:				
Buildings	8,220,331	-	-	8,220,331
Land Improvements	1,913,870	-	-	1,913,870
Machinery and Equipment	2,543,416	211,120	-	2,754,536
Subtotal	12,677,617	211,120	-	12,888,737
Accumulated Depreciation:				
Buildings	2,851,155	145,689	-	2,996,844
Land Improvements	1,577,168	19,806	-	1,596,974
Machinery and Equipment	1,640,504	173,214	-	1,813,718
Subtotal	6,068,827	338,709	-	6,407,536
Net Capital Assets Being Depreciated	6,608,790	(127,589)	-	6,481,201
Net Capital Assets	\$ 14,096,662	\$ (127,589)	\$ -	\$ 13,969,073

ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

Capital asset activity of the business-type activities for the current year was as follows:

	Balance 1/1/04	Additions	Disposals	Balance 12/31/04
Capital assets not being depreciated:				
Land	\$ 5,541	\$ -	\$ -	\$ 5,541
Capital assets being depreciated:				
Land Improvements	354,717	23,705	-	378,422
Building	4,678,136	63,701	-	4,741,837
Furniture, Fixtures, & Equipment	2,416,846	157,201	47,678	2,526,369
Vehicles	1,231,999	27,000	-	1,258,999
Subtotal	<u>8,681,698</u>	<u>271,607</u>	<u>47,678</u>	<u>8,905,627</u>
Accumulated Depreciation:				
Land Improvements	112,446	23,090	-	135,536
Building	2,781,026	196,389	-	2,977,415
Furniture, Fixtures, & Equipment	1,332,157	185,718	33,581	1,484,294
Vehicles	637,359	148,579	-	785,938
Subtotal	<u>4,862,988</u>	<u>553,776</u>	<u>33,581</u>	<u>5,383,183</u>
Net Capital Assets Being Depreciated	<u>3,818,710</u>	<u>(282,169)</u>	<u>14,097</u>	<u>3,522,444</u>
Net Business Type Activities Capital Assets	<u>\$ 3,824,251</u>	<u>\$ (282,169)</u>	<u>\$ 14,097</u>	<u>\$ 3,527,985</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities	
Judicial	\$ 33,358
General government	218,354
Public Safety	122,255
Recreation and Culture	8,295
Total Governmental Activities	<u>\$ 382,262</u>
Business-Type Activities	
Medical Care Facility	366,691
Hydro Electric	25,421
Transportation	161,664
Total Business-Type Activities	<u>\$ 553,776</u>

ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

DISCRETE COMPONENT UNIT – The following is a summary of changes in Capital Assets for the Road Commission.

	Balance 1/1/04	Additions	Disposals	Balance 12/31/04
Capital assets not being depreciated:				
Land	\$ 58,250	\$ -	\$ -	\$ 58,250
Infrastructure and Land Improvements	743,723	706,078		1,449,801
Subtotal	801,973	706,078	-	1,508,051
Capital assets being depreciated:				
Buildings	2,183,323	275,219	-	2,458,542
Equipment - Road	4,863,486	477,607	115,375	5,225,718
Equipment - Shop	112,209	1,478	-	113,687
Equipment - Office	104,317	-	-	104,317
Equipment - Engineering	46,423	-	-	46,423
Equipment - Yard & Storage	921,609	5,964	-	927,573
Infrastructure - Bridges	37,420	59,745	-	97,165
Infrastructure - Roads	1,299,838	808,497	-	2,108,335
Subtotal	9,568,625	1,628,510	115,375	11,081,760
Accumulated Depreciation:				
Buildings	530,152	60,530	-	590,682
Equipment - Road	4,010,625	356,572	115,375	4,251,822
Equipment - Shop	87,338	6,462	-	93,800
Equipment - Office	75,896	8,280	-	84,176
Equipment - Engineering	37,325	3,799	-	41,124
Equipment - Yard & Storage	641,265	64,667	-	705,932
Infrastructure - Bridges	748	3,206	-	3,954
Infrastructure - Roads	35,831	92,653	-	128,484
Subtotal	5,419,180	596,169	115,375	5,899,974
Net Capital Assets Being Depreciated	4,149,445	1,032,341	-	5,181,786
Net Component Unit Capital Assets	\$ 4,951,418	\$ 1,738,419	\$ -	\$ 6,689,837

ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 7 - LONG-TERM DEBT**

Following is a summary of pertinent information concerning the County's long-term debt:

Outstanding Debt Descriptions:

	<u>Total</u>	<u>Total</u>
Elk Rapids Hydroelectric Revenue Bonds	245,000	245,000
Totals	<u>\$ 245,000</u>	<u>\$ 245,000</u>

Changes in Long-Term Debt

	<u>General Long Term Debt Account Group</u>	
	<u>Debt Payable</u>	
	<u>Proprietary</u>	<u>Total</u>
January 1, 2004	\$ 265,000	\$ 265,000
Additions	-0-	-0-
Reductions	<u>20,000</u>	<u>20,000</u>
December 31, 2004	<u>\$ 245,000</u>	<u>\$ 245,000</u>

GENERAL GOVERNMENT

PROPRIETARY - 100% TAX PAYMENT FUND

Description - Enterprise - 100% Tax Payment Fund general obligation tax notes are issued by the County to purchase delinquent taxes and special assessments except taxes on personal property, due and payable to the taxing units in the County. No borrowing occurred during 2004. The Tax Payment Fund self funded the tax payoff.

ENTERPRISE - ELK RAPIDS HYDROELECTRIC PLANT

Description - Enterprise - Elk Rapids Hydroelectric FmHA revenue bonds were issued to the County to provide for the rehabilitation and improvement of the Elk Rapids Hydroelectric Plant. The bonds are titled Electric Utility System Revenue Refinancing Bonds. The balance at December 31, 2004 was \$245,000.

Security - The revenue bonds are secured by Operating revenues provided for in a certain agreement between Antrim County, Michigan and the Traverse City Light and Power Board.

Interest Rate - 6.6 - 7.55% payable November 1 and May 1 of each year.

Annual Debt Service Requirements:

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Other</u>	<u>Total</u>
Principal \$	25,000	\$ 30,000	\$ 25,000	\$ 25,000	\$ 30,000	\$ 110,000	\$ 245,000
Interest	<u>11,780</u>	<u>10,618</u>	<u>9,208</u>	<u>8,020</u>	<u>6,820</u>	<u>10,510</u>	<u>56,956</u>
Total	<u>\$ 36,780</u>	<u>\$ 40,618</u>	<u>\$ 34,208</u>	<u>\$ 33,020</u>	<u>\$ 36,820</u>	<u>\$ 120,510</u>	<u>\$ 301,956</u>

ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

DISCRETE COMPONENT UNIT

The long-term debt of the Road Commission is summarized as follows:

	Balance <u>01/01/2004</u>	Additions <u>(Reductions)</u>	Balance <u>12/31/2004</u>
Bonds Payable	\$ 995,000	\$ (185,000)	\$ 810,000
Total	<u>\$ 995,000</u>	<u>\$ (185,000)</u>	<u>\$ 810,000</u>

The annual debt service requirements to maturity for bonds payable as of December 31, 2004, is summarized as follows:

The Michigan Transportation Fund Notes, Series 2004 were used for the purpose of renovation and reconstruction of the Mancelona garage.

Michigan Transportation Fund Notes, Series 2004

Date of Issue: July 1, 2004

Amount: \$ 995,000

<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal</u>	<u>Interest June 1</u>	<u>Interest December 1</u>	<u>Total</u>
1.50%	06/01/05	\$ 195,000	\$ 6,805	\$ 5,342	\$ 207,147
1.50%	06/01/06	\$ 200,000	\$ 5,343	\$ 3,842	\$ 209,185
1.70%	06/01/07	\$ 205,000	\$ 3,843	\$ 2,100	\$ 210,943
2.00%	06/01/08	\$ 210,000	\$ 2,100	\$ -0-	\$ 212,100
		<u>\$ 810,000</u>	<u>\$ 18,091</u>	<u>\$ 11,284</u>	<u>\$ 839,375</u>

**NOTE 8 - PENSION PLANS**

PRIMARY GOVERNMENT

Plan Description - Antrim County participates in a defined benefit retirement plan administered by the Municipal Employee's Retirement System (MERS). The plan covers substantially all full-time employees.

The Municipal Employees Retirement System of Michigan (MERS) is a multiple-employer statewide public employee retirement plan created by the State of Michigan to provide retirement, survivor and disability benefits, on a voluntary basis to the State's local government employees in the most efficient and effective manner possible. As such, MERS is a non-profit entity which has the responsibility of administering the law in accordance with the expressed intent of the Legislature and bears a fiduciary obligation to the State of Michigan, the taxpayers and the public employees who are its beneficiaries.

The passage of HB-5525/Act No. 220, with enactment on May 28, 1996, allowed the members of MERS to vote on and determine if MERS should become an independent public corporation. The vote resulted in approval to become independent of State control and MERS began to operate as an independent public corporation effective August 15, 1996. MERS issues a financial report, available to the public, that includes financial statements and required supplementary information for the system. A copy of the report may be obtained by writing to MERS at 447 N. Canal Road, Lansing, Michigan 48917.

ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 8 - PENSION PLANS (CONTINUED)**

All full time County employees are eligible to participate in the system. Benefits vest after ten years of service. General County employees who retire at or after age 60 with 10 years credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.0 percent of the member's 5-year final average compensation. The system also provides death and disability benefits which are established by State Statute.

Participating County employees are not required to contribute to the system. The County is required to contribute the amounts necessary to fund the Michigan Municipal Employees Retirement System using the actuarial basis specified by statute.

Actuarial Accrued Liability - The actuarial accrued liability was determined as part of an actuarial valuation of the plan as of December 31, 1997. Significant actuarial assumptions used in determining the investment of present and future assets of 8.0%, (a) inflation, and (b) additional projected salary increases of 0.0% to 4.5% per year, depending on age, attributable to seniority/merit and (c) the assumption that benefits will increase 2.5% annually after retirement.

All entries are based on the actuarial methods and assumption that were used in the December 31, 1997 actuarial valuation to determine the annual employer contribution amounts. the entry age normal actuarial method was used to determine the entries at disclosure.

GASB 25 INFORMATION (as of 12/31/03)

Actuarial Accrued Liability:	
Retirees and beneficiaries currently receiving benefits	\$ 5,628,367
Terminated employees not yet receiving benefits	1,006,597
Non-vested terminated employees(pending refunds of member contributions)	25,594
Current employees:	
Accumulated employee contributions	
including allocated investment income	670,780
Employer financed	11,458,103
Total Actuarial accrued liability	18,789,441
Net Assets Available for Benefits, at actuarial value	
(Market Value is \$13,871,227)	15,191,227
Unfunded (over funded) actuarial accrued liability	<u>\$ 3,598,214</u>

GASB 27 INFORMATION (as of 12/31/03)

Fiscal year beginning	January 1, 2005
Annual required contribution (ARC)	\$ 838,464
Amortization factor used – Underfunded liabilities (30 years)	0.053632
Underfunded liabilities (26 years)	0.058519

Contributions Required and Contributions Made

MERS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and amortization payment for the fiscal year ended December 31, 1997 were determined using the entry age normal actuarial funding method. Unfunded actuarial accrued liabilities, if any, were amortized as a level percent of payroll over a period of 30 years. The following table provides a schedule of contribution amounts and percentages for recent years.

ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 8 - PENSION PLANS (CONTINUED)**

Annual Pension Cost

<u>Year Ended December 31,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
2001	\$ 461,947	100%	\$ -0-
2002	529,177	100%	-0-
2003	674,928	100%	-0-

The County was required to contribute \$783,288 for the year ended December 31, 2004. Payments were based on contribution calculations made by MERS.

<u>Actuarial Valuation Date December 31</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % Of Covered Payroll</u>
2001	\$12,552,877	\$15,344,161	\$ 2,791,284	82%	\$ 7,637,321	37%
2002	13,506,106	17,011,046	3,504,940	79%	8,329,260	42%
2003	15,191,227	18,789,441	3,598,214	81%	9,016,687	40%

For actuarial valuation purposes, the actuarial value of assets is determined on the basis of a calculation method that assumes the fund earns the expected rate of return (8%), and includes an adjustment to reflect market value.

Actuarial assumptions for MERS valuations were revised for the 1993, 1997 and 2000 valuations. The funding method was changed to entry age normal for the 1993 valuation.

DISCRETE COMPONENT UNIT

Plan Description - Antrim County Road Commission participates in a defined benefit retirement plan administered by the Municipal Employee's Retirement System (MERS). The plan covers substantially all full-time employees.

The Municipal Employees Retirement System of Michigan (MERS) is a multiple-employer statewide public employee retirement plan created by the State of Michigan to provide retirement, survivor and disability benefits, on a voluntary basis to the State's local government employees in the most efficient and effective manner possible. As such, MERS is a non-profit entity which has the responsibility of administering the law in accordance with the expressed intent of the Legislature and bears a fiduciary obligation to the State of Michigan, the taxpayers and the public employees who are its beneficiaries.

The passage of HB-5525/Act No. 220, with enactment on May 28, 1996, allowed the members of MERS to vote on and determine if MERS should become an independent public corporation. The vote resulted in approval to become independent of State control and MERS began to operate as an independent public corporation effective August 15, 1996. MERS issues a financial report, available to the public, that includes financial statements and required supplementary information for the system. A copy of the report may be obtained by writing to MERS at 447 N. Canal Road, Lansing, Michigan 48917. The most recent report for which actuarial data was available was for the fiscal year ended December 31, 2003.

ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 8 - PENSION PLANS (CONTINUED)**

All full time County Road union and administrative employees are eligible to participate in the system. Benefits vest after ten years of service. Union employees who retire at or after age 60 with 10 years credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.0 percent of the member's 5-year final average compensation per year of service. Administrative employees who retire at or after age 60 with 10 years credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5 percent of the member's 3-year final average compensation per year of service. The system also provides death and disability benefits which are established by State Statute.

Participating County Road employees are not required to contribute to the system. The County Road is required to contribute the amounts necessary to fund the Michigan Municipal Employees Retirement System using the actuarial basis specified by statute.

Actuarial Accrued Liability - The actuarial accrued liability was determined as part of an actuarial valuation of the plan as of December 31, 2003. Significant actuarial assumptions used in determining the investment of present and future assets of 8.0%, (a) inflation, and (b) additional projected salary increases of 0.0% to 4.2% per year, depending on age, attributable to seniority/merit and (c) the assumption that benefits will increase 2.5% annually after retirement.

All entries are based on the actuarial methods and assumption that were used in the December 31, 2003 actuarial valuation to determine the annual employer contribution amounts. the entry age normal actuarial method was used to determine the entries at disclosure.

GASB 25 INFORMATION (as of 12/31/03)

Actuarial Accrued Liability:	
Retirees and beneficiaries currently receiving benefits	\$ 4,450,609
Terminated employees not yet receiving benefits	71,739
Current employees:	
Accumulated employee contributions including allocated investment income	288,950
Employer financed	<u>3,800,314</u>
Total Actuarial accrued liability	8,581,612
Net Assets Available for Benefits, at actuarial value (Market Value is 5,602,041)	<u>6,135,137</u>

Unfunded (over funded) actuarial accrued liability	<u>\$ 2,446,475</u>
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GASB 27 INFORMATION (as of 12/31/03)

Fiscal year beginning	January 1, 2005
Annual required contribution (ARC)	\$ 257,808
Amortization factor used	0.053632

**Contributions Required and Contributions Made**

MERS funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and amortization payment for the fiscal year ended December 31, 2003 were determined using the entry age normal actuarial funding method. Unfunded actuarial accrued liabilities, if any, were amortized as a level percent of payroll over a period of 30 years. The following table provides a schedule of contribution amounts and percentages for recent years.



ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 8 - PENSION PLAN (CONTINUED)**

Annual Pension Cost

<u>Year Ended December 31,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
2001	\$ 186,112	100%	\$ -0-
2002	194,981	100%	-0-
2003	202,566	100%	-0-

The County Road Commission was required to contribute \$232,764 for the year ended December 31, 2004. Payments were based on contribution calculations made by MERS.

<u>Actuarial Valuation Date December 31</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % Of Covered Payroll</u>
2001	\$ 5,999,665	\$ 6,787,040	\$ 787,375	88%	\$ 1,313,027	60.0%
2002	5,966,187	8,111,792	2,145,605	74%	1,375,388	156.0%
2003	6,135,137	8,581,612	2,446,475	71%	1,473,780	166.0%

For actuarial valuation purposes, the actuarial value of assets is determined on the basis of a calculation method that assumes the fund earns the expected rate of return (8%), and includes an adjustment to reflect market value.

Actuarial assumptions for MERS valuations were revised for the 1993, 1997 and 2000 valuations. The funding method was changed to entry age normal for the 1993 valuation.

**NOTE 9 - DEFERRED COMPENSATION PLAN**

Antrim County and its component unit - Road Commission offer its employees a deferred compensation plan created in accordance with IRC Section 457. The plan, available to all county employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency.

In the past, the County was custodian of the assets in the plan and recorded the plan's activity in accordance with GASB requirements in the financial statements. In 1999 GASB Statement 32 was implemented and custodianship of the plan was transferred to an independent third party. Balances for deferred compensation are no longer reported in the financial statements.

**NOTE 10 - POST EMPLOYMENT HEALTH CARE BENEFITS**

PRIMARY GOVERNMENT - In addition to pension benefits described in note G the County employment agreement with Sheriff department employees provides for certain post employment health care coverage. For Sheriff Department employees retiring after 1/1/91 with a combined age and service of at least 70 \$125 per month will be paid by the County towards health care coverage. This benefit expires 10 years after retirement date. During 2004 four employees had retired who were eligible for these benefits. The cost of these benefits is recognized when paid. For 2004, those costs approximated \$6,000. No other general County employees are eligible for these benefits.

ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 10 - POST EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

DISCRETE COMPONENT UNIT - The Road Commission provides post retirement health care benefits to all employees who retire from the Road Commission. Any employee retiring after 7/1/89, who has completed at least ten years of service and is eligible for retirement will have \$150 per month contributed towards the employee and spouse coverage. Effective for retirees retiring after July 1, 1999 the Commission contribution will be \$200 per month and effective July 1, 2002 \$250 per month. There were 24 employees receiving benefits with an approximate annual cost of \$55,200

**NOTE 11- RISK MANAGEMENT**

PRIMARY GOVERNMENT - The County is exposed to risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The government manages its risk exposures and provides certain employee benefits through a combination of self-insurance programs, risk management pools and commercial insurance and excess coverage policies. Following is a summary of these self-insurance programs and risk management pool participation.

The County participates in the Michigan Municipal Risk Management Authority (MMRMA) for general and automobile liability, motor vehicle physical damage and property damage coverages. The MMRMA was established in January 1980, pursuant to laws of the State of Michigan which authorize local units of government to jointly exercise any power, privilege or authority which each might exercise separately. The purpose of the Authority is to provide cooperative and comprehensive risk financing and risk control services. The MMRMA provides risk management, underwriting, reinsurance and claim review and processing services for all member governments pursuant to its charter.

The government makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from the general fund (i.e., the Insurance Fund) using premiums paid into it by other funds of the government. Such contributions as received by MMRMA are allocated between its general and member retention funds. Economic resources in the MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs. The County is a State pool member and has deductibles which differ for each type of coverage.

Employee Benefits-Commercial Insurance Provider-Workers' Compensation

The County is a member of the Michigan Counties Workers' Compensation Fund. Full statutory coverage for worker's disability compensation and employers' liability is guaranteed by the fund for Michigan operations through authority granted by the State of Michigan under Chapter 6, Section 418.611.

At December 31, 2004, there were no claims which exceeded insurance coverage. The County had no significant reduction in insurance coverage from previous years.

ANTRIM COUNTY TRANSPORTATION

This enterprise fund is covered under the County policies for all risk except that associated with the vehicle fleet. That risk is covered by membership in the Michigan Transit Pool which is an insurance pool established pursuant to the laws of the State of Michigan

ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 11- RISK MANAGEMENT (CONTINUED)**

MEADOW BROOK MEDICAL CARE FACILITY

The Facility is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Facility has purchased commercial insurance workers' compensation claims, and participates in the County's insurance plan with the Michigan Municipal Risk Management risk pool for claims relating to general and auto liability, including malpractice, auto physical damage and property loss claims.

The Michigan Municipal Risk Management Authority risk pool program operates as a claims servicing pool for amounts up to member retention limits, and operates as a common risk-sharing management program for losses in excess of member retention amounts.

DISCRETE COMPONENT UNIT - Antrim County Road Commission is a member of the Michigan County Road Commission Self-Insurance Pool established pursuant to the laws of the State of Michigan which authorize contracts between Municipal Corporations (inter-local agreements) to form group self-insurance pools.

The Pool was established for the purpose of making a self-insurance pooling program available which includes, but is not limited to, general liability coverages, vehicle liability coverages, claims administration, and risk management and loss control services pursuant to Michigan Public Act 138 of 1982.

The Antrim County Road Commission pays an annual premium to the Pool for property (buildings and contents) coverage, vehicle and equipment liability, bodily injury, property damage and personal injury liability. The Pool agreement provides that it shall be self-sustaining through member premiums and will purchase both specific and aggregate stop-loss insurance based upon limits determined by the Pool Board of Directors.

The Road Commission is also self-insured for worker's compensation as a member of the County Road Association Self Insurance Fund.

**NOTE 12 – LITIGATION**

In the normal course of its activities, the County is a party to various legal actions and subject to certain asserted claims and assessments. Although other actions have been brought, the County has not experienced any additional significant losses or costs. It is the County's opinion that the outcome of any pending actions will not have a material effect on the County's financial position or results of operations.

**NOTE 13 – REVENUE SHARING RESERVE FUND / TAX LEVY**

During 2004 the State of Michigan enacted legislation creating the Revenue Sharing Reserve Fund. All Michigan counties are required to set up the fund which will be used to accumulate an additional tax levy which will, over a three year period amount to the 2004 total general operating levy. The county tax levy was previously collected between December and February and will, over the three year period, be switched to July through September. The funds can be transferred annually for general operational use based upon a State mandated amount. The effect is to collect one years tax in advance of previous collections. These funds will be used to offset the loss of State Revenue Sharing. In effect, a previous State obligation has been transferred to the local taxpayers.

The fund recorded taxes as of December 31, 2004 as revenue, in accordance with State mandated guidelines, which is a change in the way property taxes have previously been recognized. These financial statements include County general operating taxes equal to 1 1/3 years levy which reports \$2,338,371 more taxes than if the previous method of recording taxes had been consistently applied.

ANTRIM COUNTY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2004

**NOTE 14 – SEGMENT INFORMATION**

The government issued revenue bonds to finance its hydroelectric project. The revenue bonds are secured by the operating revenues of the Elk Rapids Hydroelectric Fund provided for in a certain agreement between Antrim County, Michigan and the Traverse City Light and Power board. The activity is recorded in a major enterprise fund. Condensed financial information follows:

**Condensed Statement of Net Assets**

Assets	
Current Assets	\$ 196,818
Capital Assets	<u>253,848</u>
Total Assets	<u>450,666</u>
Liabilities	
Current Liabilities (including current portion of long-term debt)	27,601
Non current Liabilities	<u>220,000</u>
Total Liabilities	<u>247,601</u>
Net Assets	
Invested in Capital Assets(net of related debt)	8,848
Restricted	134,850
Unrestricted	<u>59,367</u>
Total Net Assets	<u>\$ 203,065</u>

**Condensed Statement of Revenue, Expenses, and Changes in Net Assets**

Charges for Services(pledged against bonds)	\$ 78,381
Depreciation Expense	(25,421)
Other Operating Expenses	<u>(27,647)</u>
Operating Income	25,313
Nonoperating Revenue (Expense)	
Investment Earnings	1,490
Interest Expense	<u>(17,918)</u>
Total Nonoperating Revenue/Expense	<u>(16,428)</u>
Changes in Net Assets	8,885
Beginning Net Assets	<u>194,180</u>
Ending Net Assets	<u>\$ 203,065</u>

**Condensed Statement of Cash Flows**

Net Cash Provided by (Used in)	
Operating Activities	\$ 50,112
Capital and Related Financing Activities	(37,918)
Investing Activities	<u>1,490</u>
Net Increase (Decrease)	13,684
Beginning Cash and Cash Equivalents	<u>168,810</u>
Ending Cash and Cash Equivalents	<u>\$ 182,494</u>

## **REQUIRED SUPPLEMENTAL INFORMATION**

ANTRIM COUNTY  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Taxes and Penalties	\$ 7,043,987	\$ 7,044,187	\$ 6,608,133	\$ (436,054)
Licenses and Permits	157,300	163,000	151,130	(11,870)
Intergovernmental Revenue:				
Federal	59,000	84,000	68,495	(15,505)
State	1,036,323	1,150,446	948,351	(202,095)
Charges for Services	1,329,935	1,581,688	1,382,597	(199,091)
Fines and Forfeits	10,000	15,000	15,290	290
Interest and Rents	265,000	296,000	264,716	(31,284)
Other Revenue	168,175	180,085	176,162	(3,923)
<b>TOTAL REVENUES</b>	<b>10,069,720</b>	<b>10,514,406</b>	<b>9,614,874</b>	<b>(899,532)</b>
EXPENDITURES				
Current				
Legislative	136,133	160,086	144,485	15,601
Judicial	1,675,923	1,749,686	1,657,440	92,246
General Government	3,442,585	3,575,037	3,165,416	409,621
Public Safety	3,018,735	3,134,401	2,791,431	342,970
Public Works	5,469	5,970	5,051	919
Health and Welfare	486,261	499,846	480,764	19,082
Recreation and Culture	559,317	521,519	220,032	301,487
Capital Outlay	26,514	71,070	63,921	7,149
<b>TOTAL EXPENDITURES</b>	<b>9,350,937</b>	<b>9,717,615</b>	<b>8,528,540</b>	<b>1,189,075</b>
REVENUES OVER (UNDER) EXPENDITURES	718,783	796,791	1,086,334	289,543
OTHER FINANCING SOURCES (USES)				
Transfers In	245,000	36,325	204,442	168,117
Transfers (Out)	(965,170)	(1,026,756)	(882,312)	144,444
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(720,170)</b>	<b>(990,431)</b>	<b>(677,870)</b>	<b>312,561</b>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,387)	(193,640)	408,464	602,104
FUND BALANCES, BEGINNING OF YEAR	800,000	970,218	970,218	-
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 798,613</b>	<b>\$ 776,578</b>	<b>\$ 1,378,682</b>	<b>\$ 602,104</b>

See Notes to Financial Statements

ANTRIM COUNTY  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER SOURCES--BY SOURCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		OVER (UNDER)
TAXES AND PENALTIES				
Current Property Taxes	\$ 6,984,487	\$ 6,984,487	\$ 6,570,573	\$ (413,914)
Other	59,500	59,700	37,560	(22,140)
TOTAL TAXES AND PENALTIES	7,043,987	7,044,187	6,608,133	(436,054)
LICENSES AND PERMITS				
Dog and Kennel Licenses	15,000	15,000	10,332	(4,668)
Gun Permits	5,000	7,300	4,690	(2,610)
Marriage Licenses	1,000	1,000	905	(95)
Park Camping Permits and Fees	104,300	107,700	106,390	(1,310)
Earthchange	32,000	32,000	28,813	(3,187)
TOTAL LICENSES AND PERMITS	157,300	163,000	151,130	(11,870)
FEDERAL GRANTS				
Emergency Services	19,000	19,000	7,991	(11,009)
Prosecuting Attorney Cooperative Reimbursement	40,000	65,000	60,504	(4,496)
TOTAL FEDERAL GRANTS	59,000	84,000	68,495	(15,505)
STATE GRANTS				
Probate Judges Salary	124,000	125,100	101,996	(23,104)
Salary Standardization	118,000	118,000	87,179	(30,821)
Court Equity Distribution	140,000	148,800	144,667	(4,133)
Food Stamp Fraud	500	500	-	(500)
Secondary Road Patrol/Marine	90,000	90,000	119,079	29,079
Township Liquor Licenses	8,000	9,900	9,871	(29)
MSU	-	-	214	214
State Revenue Sharing - General	300,000	380,668	204,552	(176,116)
Voters Registration	500	700	656	(44)
Juvenile Officer	30,000	30,000	27,317	(2,683)
Substance Abuse Testing	15,200	15,200	11,729	(3,471)
Cigarette Tax	11,148	13,291	13,291	-
MDOC Diverted Felons	1,000	9,800	9,624	(176)
Convention Facilities	117,475	117,475	117,063	(412)
Survey and Remonumentation	40,500	51,012	61,767	10,755
Juror Compensation Reimbursement	-	-	7,436	7,436
Victim's Rights	40,000	40,000	31,910	(8,090)
TOTAL STATE GRANTS	1,036,323	1,150,446	948,351	(202,095)

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER SOURCES--BY SOURCE  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2004

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		OVER (UNDER)
CHARGES FOR SERVICES				
Circuit/Family Court Costs	\$33,000	\$38,000	\$35,811	(\$2,189)
Circuit/Family Court Fees	27,225	40,525	35,826	(4,699)
District Court Costs	210,000	265,000	256,995	(8,005)
District Court Bond Fees	8,000	10,500	9,995	(505)
District Court Oversight Fees	6,400	20,400	13,089	(7,311)
District Court Civil Fees	10,000	18,000	16,467	(1,533)
District Court Ordinance Fees	45,000	61,000	59,999	(1,001)
Friend of Court	-	700	450	(250)
Probate Court Services	10,000	10,000	9,405	(595)
Clerk - Certified Copies	9,010	9,010	6,497	(2,513)
Clerk - Passports	5,500	6,500	5,730	(770)
Clerk - Assumed Names	5,500	5,900	5,110	(790)
Clerk - Notary Fees	100	500	363	(137)
Clerk - Current Services	5,100	7,925	6,935	(990)
Child Care - Collection Fee	15,500	11,500	10,346	(1,154)
Abstract Services	71,600	76,400	71,094	(5,306)
Copying Services	9,700	16,200	15,694	(506)
Treasurer Services	2,950	15,878	15,531	(347)
Register of Deeds Services	362,250	363,100	291,804	(71,296)
Register Transfer Tax	150,000	235,000	208,165	(26,835)
Sheriff Services	52,650	67,700	64,397	(3,303)
Animal Control	4,400	6,300	6,514	214
Airport - Fuel Sales	200,000	200,000	149,078	(50,922)
Airport - Hangar Rent	21,000	26,500	29,579	3,079
Airport - Current Services	8,850	9,750	6,190	(3,560)
Jail - Drug Testing/Medical	19,800	15,200	16,801	1,601
Miscellaneous	36,400	44,200	34,732	(9,468)
TOTAL CHARGES FOR SERVICES	1,329,935	1,581,688	1,382,597	(199,091)
FINES & FORFEITURES				
District Bond Forfeit	10,000	15,000	15,290	290
TOTAL FINES AND FORFEITURES	10,000	15,000	15,290	290
INTEREST EARNED	90,000	90,000	63,306	(26,694)
RENTS	175,000	206,000	201,410	(4,590)
OTHER REVENUE				
Prisoner Board	35,000	25,000	21,576	(3,424)
Township and Village Computer	60,000	60,005	66,060	6,055
Miscellaneous Refunds and Reimbursements	55,175	71,780	58,467	(13,313)
Insurance	18,000	23,300	30,059	6,759
TOTAL OTHER REVENUE	168,175	180,085	176,162	(3,923)

(Continued)

See Notes to Financial Statements



ANTRIM COUNTY  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER SOURCES--BY SOURCE  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2004

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		OVER (UNDER)
TOTAL OTHER REVENUE	\$10,069,720	\$10,514,406	\$9,614,874	(\$899,532)
OTHER FINANCING SOURCES				
Operating Transfers In:				
Other Funds	240,000	5,250	-	(5,250)
Solid Waste	-	4,000	2,000	(2,000)
Capital Outlay Reserve	-	10,200	10,200	-
Forestry	-	500	500	-
Revenue Sharing Reserve	-	-	175,239	175,239
Meadowview Senior Housing	5,000	15,000	15,000	-
Master Plan Grant	-	935	935	-
EMS Supplemental Planning Grant	-	-	132	132
Sheriff Fingerpring Grant	-	440	436	(4)
TOTAL OTHER FINANCING SOURCES	245,000	36,325	204,442	168,117
TOTAL REVENUES AND OTHER SOURCES	\$ 10,314,720	\$ 10,550,731	\$ 9,819,316	\$ (731,415)

(Concluded)

See Notes to Financial Statements

ANTRIM COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER USES--BY ACTIVITY  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		(OVER) UNDER
LEGISLATIVE				
Board of Commissioners	\$ 136,133	\$ 160,086	\$ 144,485	\$ 15,601
TOTAL LEGISLATIVE	136,133	160,086	144,485	15,601
JUDICIAL				
Circuit Court	347,318	347,318	318,399	28,919
Family Court	385,540	397,320	391,006	6,314
Circuit Court Probation	4,300	4,300	3,058	1,242
District Court	476,148	531,248	542,007	(10,759)
Friend of Court	66,700	66,700	36,200	30,500
Probate Court	319,085	325,809	299,309	26,500
Jury Commission	5,750	5,750	5,122	628
Insurance	71,082	71,241	62,339	8,902
TOTAL JUDICIAL	1,675,923	1,749,686	1,657,440	92,246
GENERAL GOVERNMENT				
Elections	47,800	47,800	40,186	7,614
Budget/Accounting Services	53,434	53,622	40,117	13,505
Clerk	182,738	185,660	179,678	5,982
Communications Department	149,350	149,350	109,580	39,770
Equalization	147,077	149,494	133,886	15,608
Prosecuting Attorney	281,530	292,687	285,158	7,529
Victims' Rights	50,943	52,128	47,420	4,708
Prosecuting Attorney Child Support IVD	46,517	46,517	39,611	6,906
Purchasing	39,398	39,488	40,657	(1,169)
Register of Deeds	131,839	133,589	125,094	8,495
Abstract	72,656	82,192	78,836	3,356
Survey and Remonumentation	26,000	48,000	35,836	12,164
Microfilm	16,050	19,050	15,507	3,543
Treasurer	173,413	174,837	158,781	16,056
MSU Extension	93,032	93,032	83,356	9,676
Computer Department	160,500	164,300	160,877	3,423
Building Authority	-	-	-	-
County Building and Grounds	258,890	260,650	245,778	14,872
'05 Courthouse	77,550	77,550	73,287	4,263
Grove Street Annex	12,500	12,500	9,452	3,048
Plat Board	250	250	-	250
Drain Commissioner	10,472	10,651	9,043	1,608
EDC	13,500	13,500	11,942	1,558
Airport	306,698	332,425	309,493	22,932
Insurance	110,520	110,768	96,926	13,842
Fringe Benefits	888,562	918,631	728,549	190,082
Services	19,000	19,000	19,000	-
Other	72,366	87,366	87,366	-
TOTAL GENERAL GOVERNMENT	3,442,585	3,575,037	3,165,416	409,621

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER USES--BY ACTIVITY  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2004

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		(OVER) UNDER
PUBLIC SAFETY				
Sheriff	\$ 1,262,731	\$ 1,305,014	\$ 1,223,378	\$ 81,636
Marine Safety	57,803	57,803	51,997	5,806
Sheriff Secondary Road Patrol	134,700	161,000	146,998	14,002
Jail	314,085	315,219	291,906	23,313
Planner/Coordinator	148,597	156,803	155,839	964
Planning Commission	28,850	28,850	15,838	13,012
Resource Recovery	23,050	31,050	25,573	5,477
Emergency Services	38,198	38,071	34,391	3,680
Gun Board	-	100	31	69
Animal Control	91,308	92,998	86,158	6,840
Insurance	95,966	96,180	84,162	12,018
Fringe Benefits	823,447	851,313	675,160	176,153
Other	-	-	-	-
TOTAL PUBLIC SAFETY	3,018,735	3,134,401	2,791,431	342,970
PUBLIC WORKS				
Board of Public Works	-	-	-	-
Dams	5,469	5,970	5,051	919
TOTAL PUBLIC WORKS	5,469	5,970	5,051	919
HEALTH AND WELFARE				
Health Department	421,675	430,553	418,662	11,891
Commission on Aging	-	-	-	-
Welfare	13,000	13,000	12,843	157
Veterans' Affairs	16,912	17,253	16,387	866
Housing	-	4,000	2,531	1,469
Insurance	21,441	21,489	18,803	2,686
Fringe Benefits	9,412	9,730	7,717	2,013
Other	3,821	3,821	3,821	-
TOTAL HEALTH AND WELFARE	486,261	499,846	480,764	19,082
RECREATION AND CULTURE				
Parks Commission	2,260	5,560	3,463	2,097
Parks	163,851	167,165	146,122	21,043
Antrim Creek	-	9,500	8,004	1,496
Insurance	8,576	8,595	7,522	1,073
Fringe Benefits	52,630	54,411	43,152	11,259
Other	332,000	276,288	11,769	264,519
TOTAL RECREATION AND CULTURE	559,317	521,519	220,032	301,487
CAPITAL OUTLAY	26,514	71,070	63,921	7,149
TOTAL EXPENDITURES	9,350,937	9,717,615	8,528,540	1,189,075

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER USES--BY ACTIVITY  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2004

	BUDGETED AMOUNT		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		(OVER) UNDER
OPERATING TRANSFERS				
Prosecuting Attorney Legal	\$ -	\$ 6,000	\$ 6,000	\$ -
Internet	-	10,000	4,575	5,425
Grass River	20,650	20,650	20,650	-
Law Library	20,000	20,000	17,000	3,000
Road Patrol	400,000	425,000	417,500	7,500
Snowmobile Fund	6,880	6,880	6,880	-
Wetzel Lake	-	586	886	(300)
Child Care	390,640	390,640	280,000	110,640
Soldiers Relief	40,000	40,000	25,000	15,000
Housing	25,000	25,000	25,000	-
Grant Match	-	5,000	-	5,000
Commission on Aging	-	15,000	-	15,000
County Buildings and Structures	-	-	16,821	(16,821)
Transportation	62,000	62,000	\$ 62,000	-
TOTAL OPERATING TRANSFERS	965,170	1,026,756	882,312	144,444
TOTAL EXPENDITURES AND OPERATING TRANSFERS	\$ 10,316,107	\$ 10,744,371	\$ 9,410,852	\$ 1,333,519

(Concluded)

See Notes to Financial Statements

ANTRIM COUNTY  
REVENUE SHARING RESERVE  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2004

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes	\$ -	\$ 1,770	\$ 2,338,371	\$ 2,336,601
Licenses and Permits	-	-	-	-
Intergovernmental Revenue				
Federal	-	-	-	-
State	-	-	-	-
Other Local Units	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	-	-
Interest and Rents	-	-	-	-
Other Revenue	-	-	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>1,770</b>	<b>2,338,371</b>	<b>2,336,601</b>
EXPENDITURES				
Judicial	-	-	-	-
General Government	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Recreation and Cultural	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
REVENUES OVER (UNDER) EXPENDITURES	-	1,770	2,338,371	2,336,601
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers (Out)	-	(1,770)	(175,239)	(173,469)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(1,770)</b>	<b>(175,239)</b>	<b>(173,469)</b>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	-	2,163,132	2,163,132
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,163,132</b>	<b>\$ 2,163,132</b>

See Notes to Financial Statements

## **SUPPLEMENTAL INFORMATION**

ANTRIM COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	SOLID WASTE RESERVE FUND	VICTIMS' RIGHTS	CAPITAL OUTLAY RESERVE	DAMS RESERVE
ASSETS				
Cash	\$ 107,767	\$ 7,908	\$ 58,375	\$ 603,686
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Mortgages	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	-	-	-	-
<b>TOTAL ASSETS</b>	<b>107,767</b>	<b>7,908</b>	<b>58,375</b>	<b>603,686</b>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
FUND BALANCE				
Reserved	-	7,908	-	-
Unreserved	107,767	-	58,375	603,686
<b>TOTAL FUND BALANCES</b>	<b>107,767</b>	<b>7,908</b>	<b>58,375</b>	<b>603,686</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 107,767</b>	<b>\$ 7,908</b>	<b>\$ 58,375</b>	<b>\$ 603,686</b>

See Notes to Financial Statements

SPECIAL REVENUE FUNDS						
GAS AND OIL ROYALTIES RESERVE FUND	BARNES PARK GRANT RESERVE	GRANT MATCH RESERVE FUND	AIRPORT GRANT MATCH	AIRPORT SPECIAL PROJECTS FUND	FRIEND OF COURT FUND	PROSECUTING ATTORNEY LEGAL
\$ 19,368	\$ 19	\$ 63,947	\$ 20,492	\$ 42	\$ -	\$ 1,041
-	-	-	-	-	-	-
-	-	-	-	-	-	-
27	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
19,395	19	63,947	20,492	42	-	1,041
\$ -	\$ -	\$ -	\$ 16,427	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	16,427	-	-	-
-	-	-	-	-	-	-
19,395	19	63,947	4,065	42	-	1,041
19,395	19	63,947	4,065	42	-	1,041
\$ 19,395	\$ 19	\$ 63,947	\$ 20,492	\$ 42	\$ -	\$ 1,041

(Continued)

See Notes to Financial Statements



ANTRIM COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	BELLAIRE DAM FUND	INTERNET ACCESS FUND	GRASS RIVER FUND	ANIMAL CONTROL DONATIONS
ASSETS				
Cash	\$ 38,917	\$ -	\$ 15,950	\$ 11,596
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Mortgages	-	-	-	-
Due From Other Funds	-	4,575	-	-
Due From Other Governmental Units	-	-	-	-
<b>TOTAL ASSETS</b>	<b>38,917</b>	<b>4,575</b>	<b>15,950</b>	<b>11,596</b>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ 125	\$ 607	\$ -
Accrued Liabilities	-	-	1,389	-
Due to Other Funds	-	-	10,000	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>125</b>	<b>11,996</b>	<b>-</b>
FUND BALANCE				
Reserved	-	-	-	11,596
Unreserved	38,917	4,450	3,954	-
<b>TOTAL FUND BALANCES</b>	<b>38,917</b>	<b>4,450</b>	<b>3,954</b>	<b>11,596</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 38,917</b>	<b>\$ 4,575</b>	<b>\$ 15,950</b>	<b>\$ 11,596</b>

See Notes to Financial Statements

SPECIAL REVENUE FUNDS						
FORESTRY FUND	ANTRIM CREEK NORCROSS GRANT	ANTRIM CREEK	BARNES PARK GRANT	PARK FUND RAISER	PUBLIC ACCESS BOOK FUND	WETZEL LAKE OPERATING
\$ 143,477	\$ 624	\$ 56,990	\$ -	\$ 716	\$ 1,018	\$ 1,130
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
143,477	624	56,990	-	716	1,018	1,130
\$ 3,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	1,000	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,480	-	-	-	-	1,000	-
-	-	-	-	-	-	-
139,997	624	56,990	-	716	18	1,130
139,997	624	56,990	-	716	18	1,130
\$ 143,477	\$ 624	\$ 56,990	\$ -	\$ 716	\$ 1,018	\$ 1,130

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	BARNES PARK GRANT 04-06	GIS IMPLEMEN- TATION	LAND USE GRANT	MASTER PLAN GRANT
ASSETS				
Cash	\$ 28,360	\$ 30,969	\$ -	\$ -
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Mortgages	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	-	-	-	-
TOTAL ASSETS	28,360	30,969	-	-
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	-	-	-	-
TOTAL LIABILITIES	-	-	-	-
FUND BALANCE				
Reserved	-	-	-	-
Unreserved	28,360	30,969	-	-
TOTAL FUND BALANCES	28,360	30,969	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 28,360	\$ 30,969	\$ -	\$ -

See Notes to Financial Statements

**SPECIAL REVENUE FUNDS**

EDC REVOLVING FUND	CONSTRUCTIO N CODE ENFORCE- MENT	ROAD PATROL	2002 EMS SUPP PLANNING GRANT	STATE HOMELAND SECURITY	HOMESTEAD PROPERTY TAX EXEMPTION	REGISTER OF DEEDS AUTOMA-TION FUND
\$ 2,532	\$ 50,569	\$ 18,101	\$ -	\$ (5,824)	\$ 29,137	\$ 113,485
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	5,824	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,532	50,569	18,101	-	-	29,137	113,485
\$ -	\$ 5,623	\$ 2,517	\$ -	\$ -	\$ -	\$ 3,899
-	12,682	13,998	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	18,305	16,515	-	-	-	3,899
-	32,264	-	-	-	-	109,586
2,532	-	1,586	-	-	29,137	-
2,532	32,264	1,586	-	-	29,137	109,586
\$ 2,532	\$ 50,569	\$ 18,101	\$ -	\$ -	\$ 29,137	\$ 113,485

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	BUDGET STABILIZA- TION	2003 EMERGENCY SERVICE EXERCISE	911 TRAINING	E-911 OPERATING
ASSETS				
Cash	\$ 558,481	\$ (997)	\$ 11,062	\$ 640,799
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	45,351
Mortgages	-	-	-	-
Due From Other Funds	-	-	-	1,963
Due From Other Governmental Units	-	997	-	-
<b>TOTAL ASSETS</b>	<b>558,481</b>	<b>-</b>	<b>11,062</b>	<b>688,113</b>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 3,983
Accrued Liabilities	-	-	-	15,594
Due to Other Funds	-	-	1,963	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>1,963</b>	<b>19,577</b>
FUND BALANCE				
Reserved	-	-	-	668,536
Unreserved	558,481	-	9,099	-
<b>TOTAL FUND BALANCES</b>	<b>558,481</b>	<b>-</b>	<b>9,099</b>	<b>668,536</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 558,481</b>	<b>\$ -</b>	<b>\$ 11,062</b>	<b>\$ 688,113</b>

See Notes to Financial Statements

**SPECIAL REVENUE FUNDS**

E-911 WIRELESS FUND	DRIVING INTOXICATED	LOCAL CORRECTIONS OFFICER TRAINING	K-9 FUND	JAIL INMATE PROCEEDS	MICHIGAN JUSTICE TRAINING FUND	LAW LIBRARY FUND
\$ 112,031	\$ 1,111	\$ 7,441	\$ -	\$ 5,891	\$ 2,358	\$ 4,762
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
23,213	-	-	-	-	-	-
135,244	1,111	7,441	-	5,891	2,358	4,762
\$ -	\$ 7	\$ -	\$ -	\$ 40	\$ -	\$ 3,607
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	7	-	-	40	-	3,607
135,244	-	-	-	-	-	-
-	1,104	7,441	-	5,851	2,358	1,155
135,244	1,104	7,441	-	5,851	2,358	1,155
\$ 135,244	\$ 1,111	\$ 7,441	\$ -	\$ 5,891	\$ 2,358	\$ 4,762

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	SHERIFF FINGERPRINT GRANT	EMERGENCY SERVICES GRANT 2002-03	EMERGENCY SERVICES GRANT	HOUSING PROJECT INCOME
ASSETS				
Cash	\$ -	\$ -	\$ 677	\$ 13,282
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Mortgages	-	-	-	1,143,388
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	-	-	-	-
<b>TOTAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>677</b>	<b>1,156,670</b>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	-	-	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	-	-	-	1,143,388
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,143,388</b>
FUND BALANCE				
Reserved	-	-	-	13,282
Unreserved	-	-	677	-
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>677</b>	<b>13,282</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 677</b>	<b>\$ 1,156,670</b>

See Notes to Financial Statements

SPECIAL REVENUE FUNDS

HOUSING 03/04 CDBG GRANT	SNOWMOBILE GRANT	SNOWMOBILE GRANT MMRA 2004	CLEAN LAKES GRANT FUND	EMERGENCY SERVICES SAP GRANT	PROBATE GRANT	EMERGENCY SERVICES LEPC GRANT
\$ 11,185	\$ 13,225	\$ -	\$ 6,526	\$ -	\$ 565	\$ 700
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
370,725	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	5,000	-	-
381,910	13,225	-	6,526	5,000	565	700
\$ 2,015	\$ 1,209	\$ -	\$ -	\$ 5,000	\$ 851	\$ -
-	110	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
370,725	-	-	-	-	-	-
372,740	1,319	-	-	5,000	851	-
9,170	-	-	-	-	(286)	700
-	11,906	-	6,526	-	-	-
9,170	11,906	-	6,526	-	(286)	700
\$ 381,910	\$ 13,225	\$ -	\$ 6,526	\$ 5,000	\$ 565	\$ 700

(Continued)

See Notes to Financial Statements



ANTRIM COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2004

	SPECIAL			
	HOUSING - HOME REHAB 2001	CHILD CARE	SOLDIERS RELIEF FUND	VETERAN'S TRUST FUND
ASSETS				
Cash	\$ -	\$ 87,833	\$ 3,254	\$ 308
Investments	-	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Mortgages	174,630	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governmental Units	-	5,127	-	-
<b>TOTAL ASSETS</b>	<b>174,630</b>	<b>92,960</b>	<b>3,254</b>	<b>308</b>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ -	\$ 37,174	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Other Governmental Units	-	2,643	-	-
Advances From Other Governmental Units	-	-	-	-
Deferred Revenue	174,630	-	-	-
<b>TOTAL LIABILITIES</b>	<b>174,630</b>	<b>39,817</b>	<b>-</b>	<b>-</b>
FUND BALANCE				
Reserved	-	-	-	-
Unreserved	-	53,143	3,254	308
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>53,143</b>	<b>3,254</b>	<b>308</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 174,630</b>	<b>\$ 92,960</b>	<b>\$ 3,254</b>	<b>\$ 308</b>

See Notes to Financial Statements

REVENUE FUNDS			DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS			
SERVICES FOR AGED FUND	MEADOW VIEW SENIOR HOUSING	SELF-INSURED RESERVE FUND	05 COURTHOUSE DEBT SERVICE FUND	ELK RAPIDS FISH PARK CAPITAL PROJECT	BUILDINGS & STRUCTURES CAPITAL PROJECT	TOTAL	
\$ 7,657	\$ 101,812	\$ 168,556	\$ 1,824	\$ 7,228	\$ 278,915	\$ 3,466,878	
-	-	-	8,000	-	-	8,000	
519,349	-	-	-	-	-	519,349	
-	-	-	-	-	20	51,222	
-	-	-	-	-	-	1,688,743	
-	-	-	-	-	-	6,538	
7,113	-	-	-	-	-	41,450	
534,119	101,812	168,556	9,824	7,228	278,935	5,782,180	
\$ 37,278	\$ 6,975	\$ -	\$ -	\$ -	\$ 8,408	139,225	
10,663	3,805	-	-	-	-	58,241	
-	-	-	-	-	-	12,963	
-	-	-	-	-	-	2,643	
-	-	-	-	-	-	-	
519,349	-	-	-	-	-	2,208,092	
567,290	10,780	-	-	-	8,408	2,421,164	
-	-	-	9,824	7,228	270,527	1,275,579	
(33,171)	91,032	168,556	-	-	-	2,085,437	
(33,171)	91,032	168,556	9,824	7,228	270,527	3,361,016	
\$ 534,119	\$ 101,812	\$ 168,556	\$ 9,824	\$ 7,228	\$ 278,935	\$ 5,782,180	

(Concluded)

See Notes to Financial Statements

ANTRIM COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	SOLID WASTE RESERVE FUND	VICTIMS' RIGHTS	CAPITAL OUTLAY RESERVE	DAMS RESERVE
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue				
Federal	-	-	-	-
State	-	-	-	-
Other Local Units	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	-	-
Interest and Rents	1,763	129	1,041	9,827
Other Revenue	1,367	-	998	-
TOTAL REVENUES	3,130	129	2,039	9,827
EXPENDITURES				
Current				
Judicial	-	-	-	-
General Government	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Recreation and Cultural	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	3,130	129	2,039	9,827
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers (Out)	(2,000)	-	(10,200)	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,000)	-	(10,200)	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	1,130	129	(8,161)	9,827
FUND BALANCES, BEGINNING OF YEAR	106,637	7,779	66,536	593,859
FUND BALANCES, END OF YEAR	\$ 107,767	\$ 7,908	\$ 58,375	\$ 603,686

See Notes to Financial Statements

SPECIAL REVENUE FUNDS							
GAS AND OIL ROYALTIES RESERVE FUND	BARNES PARK GRANT RESERVE	GRANT MATCH RESERVE FUND	AIRPORT GRANT MATCH	AIRPORT SPECIAL PROJECTS FUND	FRIEND OF COURT FUND	PROSECUTING ATTORNEY LEGAL	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	2,340	-	-
-	-	-	-	-	-	-	-
277	185	1,314	125	181	-	-	60
4,238	-	-	-	-	-	-	-
4,515	185	1,314	125	181	2,340	-	60
-	-	-	-	-	2,340	-	-
-	-	5,000	18,977	-	-	-	8,933
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	5,000	18,977	-	2,340	-	8,933
4,515	185	(3,686)	(18,852)	181	-	-	(8,873)
-	-	703	22,117	-	-	-	6,000
-	(14,464)	(20,170)	-	(22,117)	-	-	-
-	(14,464)	(19,467)	22,117	(22,117)	-	-	6,000
4,515	(14,279)	(23,153)	3,265	(21,936)	-	-	(2,873)
14,880	14,298	87,100	800	21,978	-	-	3,914
\$ 19,395	\$ 19	\$ 63,947	\$ 4,065	\$ 42	\$ -	\$ -	1,041

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	BELLAIRE DAM FUND	INTERNET ACCESS FUND	GRASS RIVER FUND	ANIMAL CONTROL DONATIONS
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue				
Federal	-	-	-	-
State	-	-	-	-
Other Local Units	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	-	-
Interest and Rents	635	-	102	238
Other Revenue	-	-	-	3,516
TOTAL REVENUES	635	-	102	3,754
EXPENDITURES				
Current				
Judicial	-	-	-	-
General Government	81	125	-	-
Public Safety	-	-	-	5,458
Health and Welfare	-	-	-	-
Recreation and Cultural	-	-	30,610	-
Debt service				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	-	10,607
TOTAL EXPENDITURES	81	125	30,610	16,065
REVENUES OVER (UNDER) EXPENDITURES	554	(125)	(30,508)	(12,311)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	4,575	30,650	-
Transfers (Out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	4,575	30,650	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	554	4,450	142	(12,311)
FUND BALANCES, BEGINNING OF YEAR	38,363	-	3,812	23,907
FUND BALANCES, END OF YEAR	\$ 38,917	\$ 4,450	\$ 3,954	\$ 11,596

See Notes to Financial Statements

SPECIAL REVENUE FUNDS

FORESTRY FUND	ANTRIM CREEK NORCROSS GRANT	ANTRIM CREEK	BARNES PARK GRANT	PARK FUND RAISER	PUBLIC ACCESS BOOK FUND	WETZEL LAKE OPERATING
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,700	-	-	-	-	-
37,297	-	-	-	-	-	-
-	-	-	-	-	-	-
11,345	-	931	-	-	17	16
1,427	-	5,500	-	716	-	2,409
50,079	2,700	6,431	-	716	17	2,425
-	-	-	-	-	-	-
64,773	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,076	4,298	-	-	-	2,181
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
64,773	2,076	4,298	-	-	-	2,181
(14,694)	624	2,133	-	716	17	244
-	-	-	-	-	-	886
(10,500)	-	-	(703)	-	-	-
(10,500)	-	-	(703)	-	-	886
(25,194)	624	2,133	(703)	716	17	1,130
165,191	-	54,857	703	-	1	-
\$ 139,997	\$ 624	\$ 56,990	\$ -	\$ 716	\$ 18	\$ 1,130

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	BARNES PARK GRANT 04-06	GIS IMPLEMENTA- TION	LAND USE GRANT	MASTER PLAN GRANT
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue				
Federal	-	-	-	-
State	-	-	-	6,250
Other Local Units	-	-	-	-
Charges for Services	-	3,388	-	-
Fines and Forfeits	-	-	-	-
Interest and Rents	-	487	-	-
Other Revenue	-	-	-	-
TOTAL REVENUES	-	3,875	-	6,250
EXPENDITURES				
Current				
Judicial	-	-	-	-
General Government	-	1,013	2	-
Public Safety	-	-	-	-
Health and Welfare	-	-	-	-
Recreation and Cultural	6,275	-	-	-
Debt service				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	6,275	1,013	2	-
REVENUES OVER (UNDER) EXPENDITURES	(6,275)	2,862	(2)	6,250
OTHER FINANCING SOURCES (USES)				
Transfers In	34,635	-	-	-
Transfers (Out)	-	-	-	(6,335)
TOTAL OTHER FINANCING SOURCES (USES)	34,635	-	-	(6,335)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	28,360	2,862	(2)	(85)
FUND BALANCES, BEGINNING OF YEAR	-	28,107	2	85
FUND BALANCES, END OF YEAR	\$ 28,360	\$ 30,969	\$ -	\$ -

See Notes to Financial Statements

SPECIAL REVENUE FUNDS

EDC REVOLVING FUND	CONSTRUC- TION CODE ENFORCE-MENT	ROAD PATROL	2002 EMS SUPP PLANNING GRANT	STATE HOMELAND SECURITY	HOMESTEAD PROPERTY TAX EXEMPTION	REGISTER OF DEEDS AUTOMATION FUND							
\$	-	\$	-	\$	-	\$	-						
-	199,699	-	-	-	-	-							
-	-	-	11,631	33,324	-	-							
-	-	-	-	-	-	-							
-	-	-	-	-	-	-							
-	-	-	-	-	-	70,465							
-	-	-	-	-	35,021	-							
41	1,145	511	-	-	319	1,552							
-	265	1,029	-	-	-	-							
41	201,109	1,540	11,631	33,324	35,340	72,017							
-	-	-	-	-	-	-							
-	-	-	-	-	8	24,283							
-	466,006	420,723	-	-	-	-							
-	-	-	-	-	-	-							
-	-	-	-	-	-	-							
-	-	-	-	-	-	-							
-	-	-	-	-	-	-							
-	225	-	1,411	33,324	6,195	2,964							
-	466,231	420,723	1,411	33,324	6,203	27,247							
41	(265,122)	(419,183)	10,220	-	29,137	44,770							
-	180,000	417,500	-	-	-	-							
-	-	-	(10,233)	-	-	-							
-	180,000	417,500	(10,233)	-	-	-							
41	(85,122)	(1,683)	(13)	-	29,137	44,770							
2,491	117,386	3,269	13	-	-	64,816							
\$	2,532	\$	32,264	\$	1,586	\$	-	\$	-	\$	29,137	\$	109,586

(Continued)

See Notes to Financial Statements



ANTRIM COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	BUDGET STABILIZATION	2003 EMERGENCY SERVICE EXERCISE	911 TRAINING	E-911 OPERATING
REVENUES				
Taxes	\$ -	-	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue				
Federal	-	8,469	-	-
State	-	-	3,465	-
Other Local Units	-	-	-	-
Charges for Services	-	-	-	530,084
Fines and Forfeits	-	-	-	-
Interest and Rents	9,091	-	160	10,804
Other Revenue	-	-	-	1,162
<b>TOTAL REVENUES</b>	<b>9,091</b>	<b>8,469</b>	<b>3,625</b>	<b>542,050</b>
EXPENDITURES				
Current				
Judicial	-	-	-	-
General Government	-	-	-	-
Public Safety	-	8,469	4,804	514,047
Health and Welfare	-	-	-	-
Recreation and Cultural	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	-	9,125
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>8,469</b>	<b>4,804</b>	<b>523,172</b>
REVENUES OVER (UNDER) EXPENDITURES	9,091	-	(1,179)	18,878
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers (Out)	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	9,091	-	(1,179)	18,878
FUND BALANCES, BEGINNING OF YEAR	549,390	-	10,278	649,658
FUND BALANCES, END OF YEAR	\$ 558,481	\$ -	\$ 9,099	\$ 668,536

See Notes to Financial Statements

SPECIAL REVENUE FUNDS						
E-911 WIRELESS FUND	DRIVING INTOXICATED	LOCAL CORRECTIONS OFFICER TRAINING	K-9 FUND	JAIL INMATE PROCEEDS	MICHIGAN JUSTICE TRAINING	LAW LIBRARY FUND
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
90,274	-	-	-	-	4,740	-
-	-	-	-	-	-	-
-	-	7,390	-	8,315	-	-
-	1,100	-	-	-	-	-
1,864	3	51	1	46	-	76
-	-	-	10	-	-	-
92,138	1,103	7,441	11	8,361	4,740	76
-	-	-	-	-	-	23,725
-	-	-	-	-	-	-
36,000	7	-	151	4,731	5,272	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
59,339	-	-	-	-	-	-
95,339	7	-	151	4,731	5,272	23,725
(3,201)	1,096	7,441	(140)	3,630	(532)	(23,649)
-	-	-	-	-	-	17,000
-	-	-	-	-	-	-
-	-	-	-	-	-	17,000
(3,201)	1,096	7,441	(140)	3,630	(532)	(6,649)
138,445	8	-	140	2,221	2,890	7,804
\$ 135,244	\$ 1,104	\$ 7,441	\$ -	\$ 5,851	\$ 2,358	\$ 1,155

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	SHERIFF FINGERPRINT GRANT	EMERGENCY SERVICES GRANT 2002-03	EMERGENCY SERVICES GRANT	HOUSING PROJECT INCOME
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental Revenue				
Federal	-	529	6,426	-
State	-	-	-	-
Other Local Units	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	-	-
Interest and Rents	-	-	-	278
Other Revenue	-	-	-	54,140
TOTAL REVENUES	-	529	6,426	54,418
EXPENDITURES				
Current				
Judicial	-	-	-	-
General Government	-	-	-	-
Public Safety	-	529	-	-
Health and Welfare	-	-	-	55,095
Recreation and Cultural	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	5,794	-
TOTAL EXPENDITURES	-	529	5,794	55,095
REVENUES OVER (UNDER) EXPENDITURES	-	-	632	(677)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers (Out)	(436)	-	-	(26,324)
TOTAL OTHER FINANCING SOURCES (USES)	(436)	-	-	(26,324)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(436)	-	632	(27,001)
FUND BALANCES, BEGINNING OF YEAR	436	-	45	40,283
FUND BALANCES, END OF YEAR	\$ -	\$ -	\$ 677	\$ 13,282

See Notes to Financial Statements

SPECIAL REVENUE FUNDS

HOUSING 03/04 CDBG GRANT	SNOWMOBILE GRANT	SNOWMOBILE GRANT MMRA 2004	CLEAN LAKES GRANT FUND	EMERGENCY SERVICES SAP GRANT	PROBATE GRANT	EMERGENCY SERVICES LEPC GRANT
- \$	- \$	- \$	- \$	- \$	- \$	- \$
-	-	-	-	-	-	-
137,965	-	-	-	20,000	-	900
-	4,892	-	-	-	-	-
-	-	-	-	-	12,946	-
-	-	-	-	-	-	-
-	-	-	43	-	-	-
-	-	5,400	-	-	-	-
137,965	4,892	5,400	43	20,000	12,946	900
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	6,011	5,400	-	20,000	-	200
180,274	-	-	-	-	13,232	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
180,274	6,011	5,400	-	20,000	13,232	200
(42,309)	(1,119)	-	43	-	(286)	700
51,324	6,880	-	-	-	-	-
-	-	-	-	-	-	-
51,324	6,880	-	-	-	-	-
9,015	5,761	-	43	-	(286)	700
155	6,145	-	6,483	-	-	-
\$ 9,170	\$ 11,906	\$ -	\$ 6,526	\$ -	\$ (286)	\$ 700

(Continued)

See Notes to Financial Statements

ANTRIM COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	SPECIAL			
	HOUSING - HOME REHAB 2001	CHILD CARE FUND	SOLDIERS RELIEF FUND	VETERAN'S TRUST FUND
REVENUES				
Taxes	- \$	- \$	- \$	-
Licenses and Permits	-	-	-	-
Intergovernmental Revenue				
Federal	-	-	-	-
State	-	189,127	-	2,393
Other Local Units	-	-	-	-
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	-	-
Interest and Rents	-	-	-	-
Other Revenue	-	32,603	-	-
TOTAL REVENUES	-	221,730	-	2,393
EXPENDITURES				
Current				
Judicial	-	-	-	-
General Government	-	-	-	-
Public Safety	-	-	-	-
Health and Welfare	-	523,153	24,784	2,552
Recreation and Cultural	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	523,153	24,784	2,552
REVENUES OVER (UNDER) EXPENDITURES	-	(301,423)	(24,784)	(159)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	280,000	25,000	-
Transfers (Out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	280,000	25,000	-
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	-	(21,423)	216	(159)
FUND BALANCES, BEGINNING OF YEAR	-	74,566	3,038	467
FUND BALANCES, END OF YEAR	\$ -	\$ 53,143	\$ 3,254	\$ 308

See Notes to Financial Statements

REVENUE FUNDS		DEBT SERVICE FUND		CAPITAL PROJECTS FUNDS		TOTAL
SERVICES FOR AGED FUND	MEADOW VIEW SENIOR HOUSING	SELF-INSURED RESERVE	05 COURTHOUSE DEBT SERVICE FUND	ELK RAPIDS FISH PARK CAPITAL PROJECT FUND	BUILDINGS & STRUCTURES CAPITAL PROJECT FUND	
\$ 487,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 487,139
-	-	-	-	-	-	199,709
97,949	-	-	-	-	-	317,193
51,991	-	-	-	-	-	353,132
-	-	-	-	-	-	15,646
215,274	-	-	-	-	9,628	884,181
-	-	-	-	-	-	36,121
8,988	109,716	5,159	61	48	5,875	184,505
30,623	4,059	-	-	-	11,177	160,639
891,964	113,775	5,159	61	48	26,680	2,638,265
-	-	-	-	-	-	26,065
-	-	-	-	-	172,849	296,044
-	-	-	-	-	-	1,497,808
887,593	100,062	-	-	-	-	1,786,745
-	-	-	-	-	-	45,440
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,120	-	-	-	15,095	147,199
887,593	103,182	-	-	-	187,944	3,799,301
4,371	10,593	5,159	61	48	(161,264)	(1,161,036)
-	-	15,500	-	-	16,821	1,109,591
-	(15,000)	(180,000)	-	-	-	(318,482)
-	(15,000)	(164,500)	-	-	16,821	791,109
4,371	(4,407)	(159,341)	61	48	(144,443)	(369,927)
(37,542)	95,439	327,897	9,763	7,180	414,970	3,730,943
\$ (33,171)	\$ 91,032	\$ 168,556	\$ 9,824	\$ 7,228	\$ 270,527	\$ 3,361,016

(Concluded)

See Notes to Financial Statements

ANTRIM COUNTY  
OTHER PROPRIETARY FUND  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2004

	<u>ENTERPRISE FUNDS</u> <u>TRANSPORTATION</u>
ASSETS	
Current Assets	
Cash	\$ 183,621
Investments	-
Receivables:	
Accounts	22,191
Taxes	-
Interest and Penalties	-
Due From Other Governments	37,290
Prepaid Expenses	9,590
Inventories	13,623
Capital Assets - Net	<u>568,114</u>
TOTAL ASSETS	<u>834,429</u>
LIABILITIES	
Accounts Payable	60,462
Accrued Wages	11,171
Due to Other Funds	-
Due to Other Governments	-
Bonds Payable	-
Deferred Revenue	<u>-</u>
TOTAL LIABILITIES, ALL CURRENT	<u>71,633</u>
NET ASSETS	
Investment in Capital Assets, Net of Related Debt	568,114
Unrestricted net assets	194,682
Restricted net assets	<u>-</u>
TOTAL NET ASSETS	<u><u>\$ 762,796</u></u>

See Notes to Financial Statements

ANTRIM COUNTY  
OTHER PROPRIETARY FUND  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
DECEMBER 31, 2004

	<u>ENTERPRISE FUNDS</u> <u>TRANSPORTATION</u>
OPERATING REVENUES	
Interest and Penalties on Taxes	\$ -
Charges for Services	234,745
Sale of Properties at Tax Auction	-
Other Income	-
	<hr/>
TOTAL OPERATING REVENUES	<hr/> 234,745
OPERATING EXPENSES	
Salary Expense	311,804
Fringe Benefit Expense	212,021
Other Expenses	273,435
Depreciation Expense	161,664
	<hr/>
TOTAL OPERATING EXPENSES	<hr/> 958,924
OPERATING INCOME (LOSS)	(724,179)
NONOPERATING REVENUES (EXPENSES)	
Interest Earned on Investments	4,670
Interest Expense	-
Tax Levy	-
Restricted Donations/Income	-
Federal Grants	73,290
State Grants	292,943
	<hr/>
TOTAL NONOPERATING REVENUES (EXPENSES)	<hr/> 370,903
INCOME BEFORE OPERATING TRANSFERS	(353,276)
TRANSFERS	
Transfers from Other Funds	62,000
Transfers to Other Funds	-
	<hr/>
TOTAL TRANSFERS	<hr/> 62,000
NET INCOME (LOSS)	(291,276)
NET ASSETS, BEGINNING OF YEAR	<hr/> 1,054,072
NET ASSETS, END OF YEAR	<hr/> <hr/> \$ 762,796

See Notes to Financial Statements



ANTRIM COUNTY  
OTHER PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>ENTERPRISE FUNDS</u> <u>TRANSPORTATION</u>
Cash Flows from Operating Activities:	
Cash received from customers	\$ 228,215
Cash payments for goods and services	(246,081)
Cash received from penalties and interest on delinquent taxes	-
Cash payments to employees for services/fringe benefits	(521,346)
Cash payments for delinquent tax rolls	-
	<hr/>
Net Cash Provided (Used) by Operating Activities	(539,212)
	<hr/>
Cash Flows from Non Capital Financing Activities:	
Transfers from (to) other funds	62,000
Proceeds from county tax levy	-
Operating grants received	309,463
	<hr/>
Net Cash Provided (Used) by Non Capital Financing Activities	371,463
	<hr/>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	(6,743)
Capital acquisition grants - received in cash	10,925
Principal paid on bonds	-
Interest paid on bonds	-
Proceeds from sale of property and equipment	-
	<hr/>
Net Cash Provided (Used) by Capital and Related Financing Activities	4,182
	<hr/>
Cash Flows from Investing Activities:	
Interest Received	4,669
	<hr/>
Net Cash Provided by Investing Activities	4,669
	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	(158,898)
Cash and Cash Equivalents, Beginning of Year	342,519
	<hr/>
Cash and Cash Equivalents, End of Year	\$ 183,621
	<hr/>

See Notes to Financial Statements

ANTRIM COUNTY  
OTHER PROPRIETARY FUND  
STATEMENT OF CASH FLOWS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>ENTERPRISE FUNDS</u>
	<u>TRANSPORTATION</u>
Operating Income (Loss)	\$ (724,179)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation Expense	161,664
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(6,530)
(Increase) Decrease in Delinquent Taxes Receivable	-
(Increase) Decrease in Inventories	(4,507)
(Increase) Decrease in Prepaid Expenses	1,555
Increase (Decrease) in Accounts Payable	30,306
Increase (Decrease) in Accrued Liabilities	2,479
Deferred Revenues	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (539,212)</u>

See Notes to Financial Statements



**Thomas R. Zick CPA, P.C.**  
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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

May 12, 2005

Board of Commissioners  
Antrim County  
Bellaire, Michigan 49615

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Antrim, Michigan as of and for the year ended December 31, 2004, which collectively comprise the County of Antrim, Michigan's basic financial statements and have issued my report thereon dated May 12, 2005. I did not audit the financial statements of the Meadow Brook Medical Care Facility, which represent 15.34 percent, 16.96 percent, and 31.38 percent, respectively of the assets, net assets, and revenues of Antrim County. Those financial statements were audited by other auditors whose report thereon has been furnished to me, and my opinion, insofar as it relates to the amounts included for Meadow Brook Medical Care Facility, is based on the report of the other auditors. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Antrim County's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, I noted certain immaterial instances of noncompliance that I have reported to management of Antrim County in a separate letter dated May 12, 2005.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Antrim County's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses. However, I noted other matters involving the internal control over financial reporting that I have reported to management of Antrim County in a separate letter dated May 12, 2005.

Page 2  
Board of Commissioners  
Antrim County  
May 12, 2005

This report is intended solely for the information and use of management, the Board of Commissioners, federal awarding agencies, pass-through entities, and Michigan Department of Treasury and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Thomas R. Zick, CPA, P.C." in a cursive style.

THOMAS R. ZICK CPA, P.C.  
Certified Public Accountant



**Thomas R. Zick CPA, P.C.**  
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## FINANCIAL AUDIT COMMENTS

May 12, 2005

Antrim County Board of Commissioners  
Antrim County  
Bellaire, Michigan 49615

In planning and performing my audit of the financial statements of Antrim County, Michigan, for the year ended December 31, 2004, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control structure. However, I noted certain matters involving the internal control structure and its operation that I feel should be brought to your attention as follows:

### BUDGETS

#### Budgetary Procedures

The Board of Commissioners properly adopted a budget for the General Fund and Special Revenue Funds for the year ended December 31, 2004 in accordance with Public Act 621 of 1978, The Uniform Budgeting and Accounting Act.

Specific sections of Public Act 621 of 1978 follow:

1. Section 18(1), as amended, provides that a County shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements the County's actual expenditures and budgeted expenditures for the General Fund and Special Revenue Funds have been shown on a functional basis. As a result, for the year ended December 31, 2004 the County incurred functional expenditures in the General Fund and Special Revenue funds in excess of the amount appropriated as follows:

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
General:			
District Court	\$ 531,248	\$ 542,007	\$ (10,759)
Purchasing	<u>39,488</u>	<u>40,657</u>	<u>(1,169)</u>
Transfers Out:			
County Building & Structures	\$ -0-	\$ 16,821	\$ (16,821)

Special Revenue:

Self-Insured Reserve	\$ 150,000	\$ 180,000	\$ (30,000)
Airport Grant Match	\$ 2,550	\$ 18,977	\$ (16,427)
Friend of Court	\$ 2,100	\$ 2,340	\$ (240)
Homestead Prop Tax Exemption	\$ 6,200	\$ 6,203	\$ (3)
Wetzel Lake	\$ 586	\$ 886	\$ (300)
911 Training	\$ 4,095	\$ 4,804	\$ (709)
Driving Intoxicated	\$ -0-	\$ 7	\$ (7)
Michigan Justice Training	\$ 3,500	\$ 5,272	\$ (1,772)
Housing 03 / 04 Grant	\$ 180,000	\$ 180,274	\$ (274)
Emergency Services SAP	\$ 15,000	\$ 20,000	\$ (5,000)
Revenue Sharing Reserve	\$ 1,770	\$ 175,239	\$ (173,469)
Probate Grant	\$ 11,600	\$ 13,232	\$ (1,632)
Emergency Services LEPC	\$ -0-	\$ 200	\$ (200)

Fund Deficits – The County accumulated fund balance/retained earning deficits in the following individual fund.

Governmental: Special Revenue:

Probate Grant	\$ (286)
Services for Aged	\$ (33,171)

Public Act 275 of 1980 requires the County to file a deficit elimination plan within 90 days after December 31, 2004. The County has not filed the required plan, however, the deficits are expected to be eliminated in 2004 and an appropriate plan will be filed.

The following funds budgeted for a deficit in violation of PA 621

State Homeland Security Grant	\$ (40,000)
State Emergency Services Exercise Grant	\$ (1,500)
911 Wireless	\$ (18,834)
Sheriff Fingerprint Grant	\$ (36)
Probate Grant	\$ (1,885)
Housing Home Rehab	\$ (10,000)
Commission on Aging	\$ (37,452)

GRANTS AND GRANT REPORTING

During 2004 there was at least one instance at Antrim County where a program department filed reports, or thought reports were filed, but failed to follow-up to assure receipt of the funds. There needs to be a follow-up procedure to assure receipt of the funds. This would involve the Treasurer's department, where most funds are receipted.

Grant reporting for expenditure reimbursement should be done by the County clerk's office. The County general ledger should be used as a basis for these reports. The clerk's office prepares that ledger and would be the ideal department to prepare those reports. Frequently the reimbursement reports are completed from data in the oversight department without reference to the County general ledger. This is a repeat comment.

#### COMPUTER PROCESSING

The County spends significant amounts for computer processing on an annual basis and at the present time the system operates effectively and your service center is responsive to the needs of your primary user departments.

However, it is my opinion, that in the near future, the County should perform an overall needs assessment and develop a long-term plan for technology requirements. Even today, your system does not permit real time use for your primary accounting records, such as your receipt journals, disbursement journals, and general ledger. Prior year, and even prior months data is not available without using hard copy. Most systems today allow instant access to your data including activity from prior accounting periods. Your needs assessment process should include all present and future users in order to best determine the direction Antrim County will take in this rapidly changing area. This is a repeat comment.

#### FIXED ASSETS

The county had their appraisal/inventory prepared and the data has been incorporated into the financial statement. For future periods, the following needs to be done annually:

1. Update the list as of December 31 each year, not as of June 30.
2. The additions for the year should reconcile to the capital outlay ledger accounts.
3. A system needs to be devised to require departments to inform the clerk's department of disposals of fixed assets, especially when the item is scrapped.

I also feel your capitalization amount which was set at \$5,000 is probably too high. For future periods I would suggest \$2,500 might be more appropriate for a government the size of Antrim County.

#### HOUSING DEPARTMENT

The mortgages created in the housing fund as a result of the program requirements are now a substantial asset. Better controls need to be established over the set up of new loans, and the collection of the payments. The mortgages should be identified by the project which created the loan, and schedules should be available showing new loans for the year, and principal repayments for the year on old loans. This should all reconcile from beginning of the year detail to end of the year detail.

#### OTHER

We noted that the penal fine transfer to the Law Library fund was not made during 2004. This should be transferred in 2005 along with the appropriate amount for the 2005 fiscal year.

Fringe benefits should be paid based upon county policy. The source of funding should not permit a more liberal program. For example, an employee who is paid through a state or federal grant should not receive a more liberal fringe benefit package than an employee funded with general fund revenues.

The Trust and Agency accounts should be analyzed and reviewed annually and corrections and adjustments posted as needed. We noted numerous balances which had not changed from prior years. We also noted several accounts with debit balances which need to be corrected.

The County should investigate the feasibility of loaning the Hydro Electric Fund cash to repay the \$245,000 in debt. If the interest cost exceeds your investment yield or even is close the fund could repay the debt and then repay the County over a set time schedule.

#### ROAD COMMISSION

One budgetary line item was overspent in violation of PA 621. In total the actual expenditures did not exceed the budgeted amount.

There is not adequate segregation of duties in the accounting area. The individual who posts all journals and the general ledger also prepares checks and related disbursements journals, and also initiates all journal entries.

I recognize that with only two full time individuals working in the accounting area adequate segregation of duties is not only difficult but for all practical purposes impossible. The Board must recognize that all internal controls must be evaluated for cost effectiveness and at this point little can be done to increase the control without a considerable cost increase. The controls, which could be added, would have to be compared with the costs required to obtain those controls. By assigning the bank reconciliation procedures to another employee, considerable strengthening of internal accounting control has already occurred.

I would like to express my appreciation, as well as that of my staff, for the excellent cooperation received while performing the audit. If I can be of any assistance in implementing the above recommendations, please contact me.

This report is intended solely for the use of management, the Board of Commissioners, the Michigan Department of Treasury, and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.



THOMAS R. ZICK CPA, P.C.  
Certified Public Accountant